

Sales Management

For Sales and Advertising Executives



In This Issue—What America's Mining Industry Buys

A Compensation Plan That Cut Down Turnover

By G. C. Willings

Vice-President, The Intertype Corporation

A Survey of Merchandising Trends
in the Automotive Field

A Dartnell



Publication

California White and Sugar Pine Manufacturers Association



800 OAK BUILDING
TELEPHONE GARFIELD 8400
San Francisco, California

June 27, 1925

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PUBLICATION OFFICES:

RAVENSWOOD AND LELAND AVENUES, CHICAGO
Telephones, Ravenswood 0365 and 0367

J. C. ASPLEY - - - - - President
PHILIP S. SALISBURY - - - Vice-President
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EASTERN OFFICE:

19 W. FORTY-FOURTH STREET, NEW YORK CITY
Telephone, Vanderbilt 3614

PHILIP S. SALISBURY - - - - - Manager
M. V. REED - - - - - Asst. Manager
E. D. GOODELL - - - - - Staff Representative

EUROPEAN OFFICE:

150 SOUTHAMPTON ROW, LONDON, W.C.2
Telephone, Museum 8596

A. T. TURNER - - - - - Manager

TORONTO - - - - - W. A. LYDIATT
27 Wellington Street, E.

MELBOURNE (AUSTRALIA) - T. C. LOTHIAN
497 Collins Street

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Sales Management

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NUMBER TWO

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Edited by John Cameron Aspley

EUGENE WHITMORE
MANAGING EDITOR

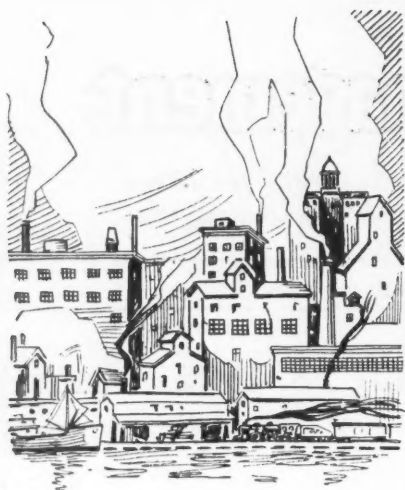
ROY W. JOHNSON
EASTERN EDITOR

EDWIN H. SHANKS
ASSOCIATE EDITOR

S. ROLAND HALL
CONTRIBUTING EDITOR

A. R. HAHN
DESK EDITOR

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New Orleans— - a busy city

In addition to being one of the country's chief ports and an important center of agriculture, finance and inland shipping, New Orleans has taken notable rank as a manufacturing city.

A recent survey showed 1,125 factories, turning out a total of 680 different commodities.

This wide diversity of interests helps New Orleans remain comparatively unaffected by periods of nation-wide business depression.

*Put New Orleans
on that list!*

The Times-Picayune

FIRST FOR THE SOUTH

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—Courtesy, The Pullman Company

They Say that

FRED MASON, vice president of the American Sugar Refining Company, New York City, announces the promotion of his general assistant, JAMES F. BROWNLEE, to the post of general sales manager of the company. Mr. Brownlee joined the organization in 1912 as a specialty salesman, and has since served in various sales capacities. When Mr. Mason was made vice president in charge of sales in 1921 he selected Mr. Brownlee as his assistant.

WILLIAM MAXWELL, at one time vice president of Thomas A. Edison, Inc., founder and president of the William Maxwell Institute, East Orange, New Jersey, a correspondence school for salesmen, passed away on July 4th at his home in New Jersey. Mr. Maxwell was the author of "Salesmanship," "The Training of a Salesman," and "If I Were Twenty-One." The affairs of the Maxwell Institute are being liquidated.

ROBERT P. O'BRIEN, formerly connected with The Chicago Tribune, Condé Nast and Fairchild Publications, has been made advertising director of Extension Magazine, Chicago.

IRVING H. TAYLOR, a former executive in the export department of Dodge Motor Company, Detroit, has been appointed assistant chief of the Automotive division of the Bureau of Foreign and Domestic Commerce, Washington, D. C. Mr. Taylor succeeds HARRY H. KELLY, who has been transferred to the Paris office of the Department.

The Westfield Manufacturing Company, Westfield, Massachusetts, bicycles, announces that J. P. FOGARTY, secretary and general manager, has been made vice president of the company. N. R. CLARK, Mr. Fogarty's assistant, has been made secretary, and E. R. HARDEN, sales manager, assistant secretary.

ROBERT E. JACKSON, formerly sales manager of Green River and for the past year with the Critchfield Company, Chicago advertising agency, has joined the Electograph Advertising Service, Inc., Chicago, as account representative.

The Square D Company, Detroit, makers of electric switches, announces the appointment of A. A. SCHUELER as sales manager, Mr. Schueler succeeding A. MACLACHLAN, who recently resigned.

GEORGE H. CLEVINGER has been placed in charge of the new supply sales promotion department just formed in the National Cash Register Company, Dayton. Mr. Clevenger has been serving the company in the field as salesman and traveling auditor, and has a practical knowledge of the supply field.

DAVID L. GRAY, assistant traffic manager of the New York Central Railroad, has been made vice president of the Erie Railroad in charge of traffic, to succeed P. C. POWELL. Mr. Powell has resigned to become president of The Chicago & Eastern Illinois Railroad.

The Conlon Corporation, Chicago, makers of electric washers, announce the appointment of H. D. BROUGHTON as sales manager.

P. C. GUNION, advertising and market research manager for the Hyatt Roller Bearing Company, Newark, New Jersey, has resigned to travel for a year and study business conditions in principal cities throughout the Continent, South America and other countries.

WILLIAM G. RICHARDSON will represent The Dartnell Corporation, in the southwest territory, with headquarters in St. Louis. Mr. Richardson is known to most of the Dartnell subscribers through his previous connections in lines of business similar to The Dartnell Sales Service.

THOMAS J. LINDBERG, former sales manager of the Wilsnap Fastener Company, has joined Seidner & Hitzgrath, Inc., New York City, hair net manufacturers, as vice president. He will have complete charge of marketing.

H. W. KEYES, formerly assistant sales manager of The Worthington Pump and Machinery Corporation, has been appointed sales manager of The Rimmel Manufacturing Company.

CHARLES L. HOLMAN has resigned as president of the Laclede Gas Light Company, St. Louis, to accept the presidency of the Georgian Manganese Corporation of New York. This corporation has been formed to take over the contract recently made by W. A. Harriman & Co., Inc., with the Soviet Government and private mine owners to operate the Russian manganese properties located in the Caucasus.

Sales Management

A Dartnell  Publication

Volume Nine

Chicago, July 25, 1925

Number Two

How We Devised a Compensation Plan That Cut Down Turnover

Salary Plus Monthly and Quarterly Bonus With a Yearly Dividend Puts Fighting Kick Into Sales Organization

By G. C. Willings

Vice President, Intertype Corporation, New York City

CONSIDERING that our product is a slug casting machine, and each unit of sale ranges in price from \$3,200 to \$6,000, it is at once apparent that a salesman cannot be expected to sell a machine every day of the week or even every week of the year. The period of time between a prospect's first interest in a machine and the time when he signs the contract, is usually long. The amount of money to be spent is large enough to cause considerable deliberation and the details of equipment are many and require thought. There are very few quick sales in our business. Our selling is what might be called "low tension" long distance selling because the process is stretched out over so long a period of time.

Our problem in arriving at a proper plan of compensation for our salesmen, like in any other organization, was, to decide how much we would have to pay to secure men capable of doing the job, counterbalanced with how much the corporation could afford to pay and still make a fair profit. The very nature of our product requires first of all that we have so called technical men, men who know enough about the machine and its uses, as it is not possible for us to take a good man from

some other line and equip him in a reasonable time with enough information to sell our product. A large part of our selling task is performed not with the actual buyer, but with his mechanical staff, to whom the buyer looks for recommendations.

It is obvious that a straight commission plan would not be satisfactory under our conditions, because the average salesman would not be in a position to finance himself over the periods in which he is not making sales. He would have plenty of money at one time, and be financially embarrassed at another. No man's mind can be at ease if his financial condition is such as to cause him worry from time to time, and it is my firm conviction that a salesman's mental attitude has more to do with his success or failure on the road than any other single factor.

Setting the Salesmen's Quotas

On the other hand, I believe that a straight salary does not provide the salesman with an incentive for extra effort. Most men can very easily convince themselves that they are doing their very best, but if there is an additional money attraction which they can earn, only by their own efforts, they seem to be able to do many things

that they otherwise could not do.

We therefore adopted first, a fixed weekly salary and expenses, the weekly salary being fixed at a minimum, but sufficient so that the salesman's mental attitude would not be destroyed by worrying over his financial problems.

We then adopted a monthly commission scheme, based on a certain amount of sales made within the month, and so arranged that if his sales exceeded a certain amount, we would then pay a higher commission on the excess.

You will note that we have now reached the point of weekly salary and expenses and monthly commission. We then decided that we would want to offer additional compensation in the form of a quarterly bonus and a yearly dividend, provided our men reached or exceeded certain fixed quotas which we had established in each territory for the quarter and for the year.

Now the first problem we had to face was that of establishing a quota for each of our salesmen, which was arrived at by considering the number of machines of our particular line, in operation, in each specific territory and the possible prospects, in each salesman's territory, and the number of machines sold in the territory during

past years. These figures were tabulated not only with regard to our own sales, but also from sales made by our competitors.

Our quotas are based on each quarter of the calendar year. If a salesman equals or exceeds his quarterly quota, he is paid a bonus of so much per machine on all machines he has sold during that quarter.

I have thus far described to you our weekly salary and expense system, our monthly commission, and quarterly bonus scheme, and now reach the third step in our compensation plan, the annual dividend, which is a definite amount per machine paid at the close of the year, on all machines sold during the year by the men who equal or exceed their yearly quota, which quota is simply four times the quarterly quota. The annual dividend is not payable to a man who leaves our employ during the year regardless of whether or not he has equaled or exceeded his yearly quota before leaving the company's employ.

To sum the matter up: Our compensation plan consists of:

1. Weekly salary and expenses.
2. Monthly commission.
3. Quarterly bonus.
4. Yearly dividend.

The Setting of Quotas

Whenever a salesman's compensation is contingent in any way upon his making a given quota, I cannot emphasize to emphatically the importance of a close study, to see that the quota is not only fair to him, but also fair to the company. If the quota is too high the salesman will feel that it is hopeless, and will not put forth his best efforts. If it is too low, the purpose of the quota is defeated. It is a very dangerous thing, after the establishment of a definite quota, to have to recognize the fact that a mistake has been made, making it necessary to increase the quota, in any particular territory, as the salesman would naturally form the opinion that perhaps the company felt that he was earning too much money, and consequently had increased his quota in order to reduce his earnings.

Good salesmen are all more or less temperamental, and you can

destroy very quickly the morale of your sales organization, unless your selling campaign with regard to fixed quotas is studied and correctly set up in the first instance.

Quotas in my opinion should be fixed, not so much in relation to the ability of a particular salesman to produce, but more in relation to the possible productiveness of a given territory. It is not fair to a good salesman to penalize him with a high quota, because his past records indicate that he is a good producer. It is often the case that men in inferior territories produce more business than men in territories that should produce considerably more business.

Combating the Wanderlust

I might say that our plan has proved successful to us, but I do not mean to indicate that the entire plan as outlined would be successful in all lines of business, but I do believe that the quota idea is one that can be worked out in almost any line. I know some of you are thinking, "Why so many schemes?" and "Why not boil it down to one proposition?" This is the very thought that flashed through my mind when we first worked the plan out.

My answer, however, to this is that should we discard any part of our plan, it would lose its effect and the purpose for which it was inaugurated would be lost. We feel that we can supervise a man much better when he is being paid a fixed weekly salary. On a straight commission scheme, he feels more or less that his time is his own, and with our monthly, quarterly and yearly compensation plans, we lead him on month by month, quarter by quarter, to the end of the year. We have something we are holding out to him all the time to spur him on. I can tell you that our men work days, nights, Sundays and holidays to reach the quotas we have set, to enable them to cash in on our various plans of compensation. As a typical example, one of our territories, before this plan was inaugurated, turned in to us a gross business of approximately \$50,000 a year, and within four years, the gross sales for this territory have increased to approximately \$300,000.

I could tell you instance after instance where our men have used the most unusual sales methods to secure orders, even going so far as to use airplane transportation to get from one prospect to another.

Then again I know that most of you have had the experience of losing at one time or another, your best salesmen to other concerns, perhaps a competitor, who offers better inducements. Under our scheme, good salesmen who have gone along for say, six months, and sold perhaps 70 per cent of their yearly quota, are confronted with the problem of giving up their opportunity of earning a yearly dividend by accepting an offer with another concern before the year is completed, whereas if they continue with us, with only 30 per cent of their quota to make in six months, they have the opportunity to cash in on our yearly dividend plan. We have found that the yearly dividend is really a force in making our salesmen think twice before they leave us for what seems for the moment to be a better proposition, and, by the end of the year nine times out of ten, they have settled down again, and have forgotten the alluring offers received from others.

Recognition for Good Work

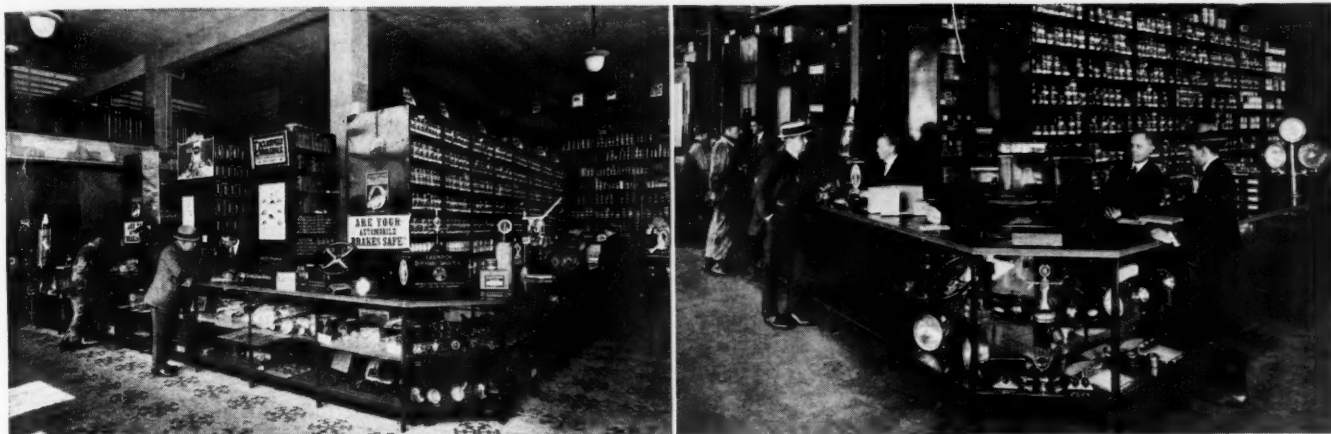
A good salesman by nature is restless, and we believe that our annual dividend plan helps him against his own weakness of wanting to change for what appears to be greener pastures.

We believe that everybody wants to make money to buy the things of life that seem to each of us most desirable. With some it is one thing, with others it is something else. No matter what it is, it takes money.

We pay salaries just about enough to meet the ordinary living expenses of our men, and then offer our commissions, bonuses and dividends to make them make an effort to get volume.

The foregoing has dealt entirely with money compensation. Men must receive money for their efforts, we take that for granted. But there is another form of compensation, which is very important if we are to get the best efforts of our salesmen—and that is public recognition of success.

(Continued on page 126)



Photos courtesy David Lipton's Sons Company

The influence of the old-time automotive accessory jobber is waning; only by keeping alert to dealers' needs and maintaining the best of service from full stocks such as those shown here, can the jobber gain and hold a leading position in the industry.

A Survey of Merchandising Trends in the Automotive Field

The Fourth of a Series of Reports Dealing With Some Present Revolutionary Jobbing Practices in Principal Lines of Business

By Roy W. Johnson

Eastern Editor, "Sales Management" Magazine

IN 1895—only thirty years ago—the total number of automobile "registrations" in the United States was somewhere in the neighborhood of half a dozen cars. Ten years later, there was a total of about 18,000, of which 600 were trucks. By 1915 the number of cars had increased to 2,445,666, of which about 166,000 were classed as trucks. The figures for 1924, at the close of approximately the third ten-year period, showed a total of 17,591,781 cars, the number in the truck classification having increased to 2,131,332.

Registrations for 1910 were a little less than 500,000, and five years later were nearly two and one-half million. From 1915 to 1920 (roughly speaking, the war period) registration increased by approximately 9,300,000. During this particular ten-year period, the market for automobile accessories and parts increased by nearly 900 per cent.

It is hardly necessary to point out the significance of the foregoing figures in connection with any discussion of the automotive equipment jobbing field. The

market for automobile accessories and parts depends directly and exclusively upon the use of automobiles, and the growth of popular demand depends upon the number of cars in service. Almost from the time when there was an automotive equipment industry at all, the demand expanded at so rapid a rate that distribution machinery for the most part had to be extemporized, and there was literally no precedent in merchandising history that could serve as a guide.

The War Period Boom

Then came the period of the war, during which there was no necessity for anyone to pay much attention to costs if only he could turn out the goods, and the main merchandising effort was to get distribution at any price. The bursting of the war bubble, however, administered a jolt which led manufacturers and distributors alike to give serious attention to their common problems, and to discuss possible solutions.

We are dealing here, in other words, with a field that is still to a large extent in the pioneer stage

of development by force of circumstances, and which has only recently recovered from the effects of a prolonged debauch in the form of an inflated and over-stimulated demand. It is only comparatively recently that any serious attempt has been made on any broad scale to study the distribution problem objectively, and up to the present the industry has scarcely been able to do more than determine the facts as to its present status in comparison with other fields of distribution. Under such conditions it is necessary to proceed with considerable caution in attempting to forecast future developments. It is possible to point out the lines along which the automotive jobbers are working in the effort to improve conditions, but how far they will get is another matter.

In the first place, it seems to be pretty generally recognized that distribution costs in the automotive field are unusually high—higher in fact than in any other wholesale line with the possible exception of jewelry. According to the figures submitted to the Harvard Bureau of Business Research by 151

automotive wholesalers for 1924, the average cost of doing business amounted to 23.5 per cent of net sales. This is a shade higher (0.1 per cent) than the similar figure for 1923, and compares rather unfavorably with the costs in other wholesale fields.

The bureau's figures show, for example, that the average cost of doing business among wholesale druggists was 15.8 per cent of net sales, for wholesale grocers, 10.6 per cent, and for wholesale dry goods, 16.6 per cent. A good deal of heart-searching has been going on over these figures, ever since the bureau issued its first report, for 1923, and jobbers and manufacturers alike have been trying to find out to what extent this high cost of distribution is due to extravagant habits that can be corrected, and how much of it is the inevitable result of conditions that are beyond anyone's control.

Market is Constantly Changing

"It is easy enough," writes a middle western sales manager of an equipment manufacturer, who says that he has had experience on both sides of the fence, "for the manufacturer to accuse the jobber (as he frequently does) of waste and inefficiency, and for the jobber to retort (as he also does) that the manufacturer is to blame for overproduction and the lack of any policy for protecting his distributors. Both charges are to a certain extent justified, no doubt, but I don't see how either party can help himself to any great extent.

"You have got to remember that what the manufacturer makes and what the jobber can sell is determined, not by themselves, but by the engineering staffs of the different motor car manufacturers, and, furthermore, that the market for accessories and parts is a market on wheels that does not 'stay put' in any particular territory. The motorist demands, and is going to go right on demanding, that he get repair or accessory service at any little wayside garage, wherever it happens to be, and whatever its credit rating. And the car manufacturers are in all probability going to go right on making changes in construction and design which necessitate increases in the jobbers' stocks out of all proportion to the demand. Bear in mind this,

that the jobber has got to stock not only the new designs and sizes, but also maintain stocks suitable for the old-model cars that are still running.

"There you have one of the main reasons for the big margins that are required in this business—the jobber's high cost of carrying a stock that is out of all proportion to the demand. And I don't believe there is any material remedy for it unless you can persuade the car manufacturers to adopt a policy of standardization (which isn't likely), or unless you can fix it so that the motorist will never have a break-down except in the immediate vicinity of a large and well-rated garage which can afford to carry its own reserve stock of accessories and parts."

On the other hand, a large eastern jobber writes:

"The high cost of distribution in this field is in my humble opinion largely due to the fact that jobbers have been doing practically a retail business at wholesale prices. Partly this is their own fault, due to the fact that they have been so hungry for business that they would sell a couple of spark plugs to any gyp that came in and asked for them, but they have largely been forced into it by the manufacturers themselves by threats of establishing service stocks in the territory.

More Business from Fewer Buyers

"Some time ago we analyzed our business, and discovered that we were getting 25 per cent of our business from 7 per cent of our accounts, and at the other end of the scale, 30 per cent of our accounts were producing only 10 per cent of our business. These latter were the small dealers and repair men who, when a car drove up with a request for some item that we carry, would say: 'Just wait until I run over to the warehouse and get it.' A year ago we put into effect a policy of concentrating our sales effort on dealers who could buy in standard cartons or packages, and discouraged this pick-up business. We have fewer customers on our books today by nearly 30 per cent, but we did practically the same volume of business as last year, at a better profit, and a higher rate of turnover."

Another aspect of the situation was brought out in an interview with one of the executives of a prominent accessory manufacturing concern:

"It is a fact," he said, "that the volume of the accessory jobber is decreasing in proportion to what it is costing to get the business. There was a time when the jobber could do business on a 25 per cent gross margin, then he began demanding 33 1/3, and in many cases today he is getting as high as 50 per cent. But his sales volume, generally speaking, has not increased in anything like that proportion. The Harvard Bureau figures show that the average gross margin in the automotive jobbing field today is 24.8 per cent of net sales. Compare that if you please with the average of 17.1 per cent in the wholesale drug field, 17.6 in wholesale dry goods, and 11.3 among grocery jobbers.

Spreading Sales Effort Too Thin

"The main trouble is, in my opinion, that the jobbers in this field with mighty few exceptions, have never grasped the idea of increasing sales by intensive cultivation of a territory—by working with their best dealers to build them up into better customers. Pretty nearly their sole idea of sales expansion has been to take in more territory, and call on more dealers. So we have a situation where jobbers are calling on dealers perhaps 300 miles away from the distributing point—dropping in on them at intervals of from two to three weeks and trying to take some business away from the jobber who is close at hand. The average annual sales per salesman in this field for 1924 was only \$40,000. Compare this with the \$94,000 average in the wholesale drug field, and \$100,000 average in the wholesale grocery field. That is the result, in my opinion, of trying to cover altogether too much territory, and using up the salesman's productive time in jumping from one small customer to another instead of trying to build up retail outlets that will amount to something.

"But that, after all, is only about what you would expect from a business that has grown up under the conditions that this one has.

(Continued on page 113)

The Timid Salesman Who is Afraid to Ask for the Order

A Section from "Managing the Interview"—the Eighth of a Series of Manuals on Salesmanship

By J. C. Aspley

SOME salesmen never ask a buyer for an order until after the demonstration has been completed. They contend that if an order is closed too quickly there is more danger of cancellation.

But the more experienced salesmen strive to close the sale just as soon as possible. They contend that when a man is sold he should be signed up. If you don't sign him up and go on with your interview, there is too much of a chance that you will do or say something to unsettle him—if not unsell him.

As pointed out in my manual on "Closing the Sale," the time to close is when you gain an admission of willingness from the buyer. At frequent periods during the interview "try" for an admission of willingness. A well-planned interview should have no less than four, and possibly eight or nine, "turns" where you can throw out a "feeler."

Prepare the buyer for the close by getting his mind moving in the right direction, early in the interview. Start by getting him to hand you a sheet of paper, or a pencil, or something else you may need.

Get the Prospect to Agree

This has the effect of putting him into a condescending frame of mind. Get him to agree with you on trivial points. Avoid references or statements that may challenge him and get him into an argumentative attitude.

Of course, you will not always be able to do this, and there are types of buyers and special circumstances where entirely different methods must be followed. But when possible, get the prospect into the habit of agreeing with you.

With the buyer in this frame of mind it is easier for you to get an admission of willingness from him.

The admission might be some indication that he needs it; or he might agree with you that a certain model is best suited to his business; or that he prefers one finish to another. On the other hand, he might indicate his willingness by his interest, without saying anything.

The moment you secure such an admission, whether it is during the interest arousing stage of the interview or during the demonstration, try for a close. Don't worry about his not being thoroughly sold. You can complete your demonstration after you have his signature just as well as before—better in fact.

Maintaining the Positive Attitude

In trying for an order during the interview, be careful not to invite a turn-down, or give the buyer an opportunity to take control of the situation. For that reason don't ask him bluntly to give you an order. Such a request is likely to bring forth an objection which you would have to dispose of before proceeding with your canvass. It would make a break in the continuity of your plan, and since one objection gives rise to others, you stand a good chance to get derailed.

A paint salesman handles this by endeavoring to get the customer to make an admission which suggests readiness to buy, and then out of a clear sky he asks him how soon he will need the paint.

If the customer has decided to buy, this quick question will in most cases reveal the decision to the salesman. The customer may say: "In two weeks," or "Not until next month," or give some other satisfactory answer.

But if he is not sold, and has not made up his mind whether he is going to buy or not, his answer will be vague and indefinite. In

that case the salesman simply proceeds with his interview as he has planned it.

In the event you are unable to get the buyer to indicate his willingness to close during the interview, complete your demonstration, **THEN ASK HIM OUT-RIGHT FOR THE ORDER.**

There will be some salesmen who will violently disagree with this procedure. These men will hold it bad strategy to give a man an opportunity to turn you down; for once having turned you down it becomes just that much harder to make him reverse his decision.

To an extent this is true, but there are far more orders lost through the failure of salesmen to **ASK FOR THEM**, than there are through the extra resistance created by being turned down. Nearly all the experienced sales executives who collaborated with me in preparing this manual agree that one of the greatest faults in salesmen is their hesitancy to boldly ask for the order. They will play along with a prospect for months, imagining they are getting closer and closer to the order only to find they are nesting on a china egg.

When Buyers Say "No"

When you come straight out from the shoulder and ask a man to put his name on your order book, without any apologies or without any camouflage, he is pretty sure to do one of two things. He will do as you ask and sign the order, or he will tell you why he won't. At least you have found out where you stand.

If he signs the order, there is nothing more for you to do except to make sure that he understands the terms, and get out. Don't stay and take any chances on his changing his mind. It was Hugh Chalmers who said: "A salesman, like a

railroad, must have terminal facilities." The station where you get out should be just as soon after you have the order in your pocket as good breeding will permit.

If you have failed to sell the buyer, and he won't sign, he will try to sell you on one of a number of reasons for not buying. Most of these objections—at least the more common ones—have been discussed in my manual, "Field Tactics for Salesmen." Some of the objections are sincere and entitled to consideration. But as a rule when a man sells you his objection, it simply indicates that he is a better salesman than you are.

Upon exhausting your answers to his objections without success, it is probable that the excuse he is making is being put forward to conceal a real objection. In the language of the street, the prospect is "stalling."

An excellent plan for getting under the skin of a "staller" is that used by a salesman for the Westinghouse Lamp Company. There is nothing new about the idea, but it is based on a trait of human nature that makes it consistently effective.

Planning for Opposition

When a buyer tells this Westinghouse salesman that he won't sign for this or that reason, the salesman looks as discouraged as he knows how. The buyer feels sorry for him. "Your decision is a great disappointment," he says, "but you know your business better than I do. I wish you would do me one favor. If you were in my shoes selling lamps, how would you go about getting this business?"

In nine cases out of ten the salesman's naiveness will disarm the man. He will think: "At least I can help him in this respect, since I am not going to give him an order." The very human desire which we all have to help the other fellow, and to grant favors, surges to the top. Before the buyer knows it he is giving the salesman the very facts which he needs to make the sale.

Strangest of all, in giving the salesman the facts the buyer helps to sell himself. If the salesman is at all resourceful he can turn the situation to his advantage—either

at the time or during a later call. Those salesmen who fear to ask for an order at the close of the demonstration are probably making the mistake so many salesmen make in not building their interview around the expectation of being turned down. This may sound like heresy to you. There has been so much said about positive thinking, and going into a man's office with the determination to win, that we are apt to make no provision in our attack for a possible retreat.

History is full of cases where generals have retreated from one position to another, finally to turn and win a decisive victory. But a different story would have been written if these same generals had refused to entertain the thought of retreat, and occupied themselves only with plans that assumed victory. So in selling. We cannot always win. There is no use of making ourselves believe that there are no hurdles to jump; no obstacles to overcome. Let us look the real facts in the face. Plan our interview with victory as an objective, but victory after temporary set-backs.

Harry Hunting, the head of Parks Brothers on the Pacific Coast, is a strong advocate of this method. He is perhaps one of the most successful grocery salesmen in the business. His entire plan of attack is built up on the assumption that he is going to be turned down; that a turn down by the dealer means nothing; but that in the end he will get the order. And he usually does.

How One Salesman Operates

Here is how a salesman would operate under Hunting's method: He would phrase his opening remarks so as to get the attention of the dealer; and he would make it his business to get this attention before he started to sell. He would arouse his interest in a quality line. He would then take one product and discuss it thoroughly. When the time came to close he would say to the dealer: "Now, in view of all this, you and I are agreed that you can certainly use ten cases."

Observe he does not ask the dealer for a ten-case order; he TELLS the dealer he can USE ten

cases. Nor does he pause in his discussion and give the dealer a chance to argue. He writes the order for ten cases, hands it to the dealer, and says: "If you will just O. K. it right here."

Brown does not stage a dramatic silence while the awe-inspired dealer goes through the operation of signing a death warrant. On the contrary, he keeps the talk alive. As he hands the blank to the dealer to O. K. he goes on something like this: "You are going to be mighty well pleased with your profit on this line," and so on.

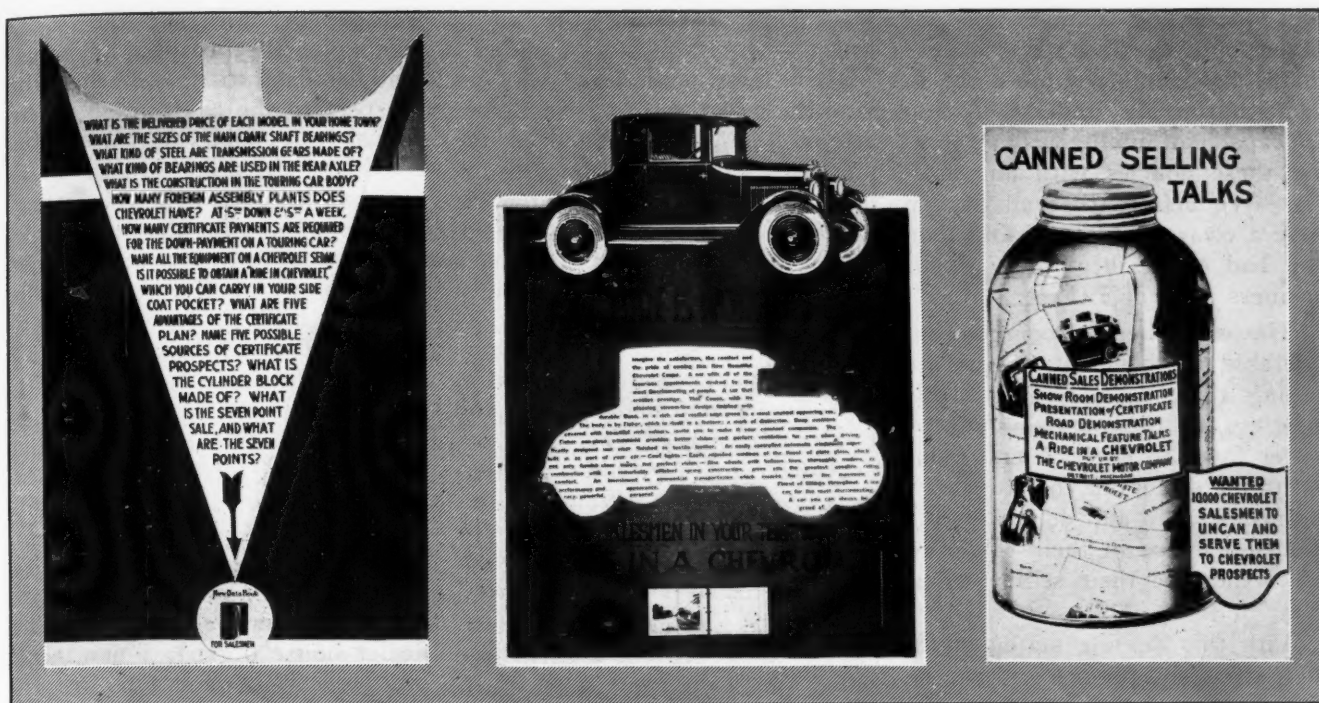
Invariably the dealer will say: "No." But this does not fluster Brown, for he is prepared to meet the opposition. He does not make the mistake of asking "Why?" On the contrary, he says: "By the way, I should have made another point clear to you," and then he is away on plan number two, going into it as thoroughly as he knows how. He again goes through the performance of closing the sale. If that fails, he starts in on point number three, and so on.

Keeping Everlastingly At It

Somewhere between attempt number seven and attempt number ten, seven dealers out of ten make up their minds that the article might be taken on with safety. If the reasons for buying have been exhausted, and the dealer is still obdurate, then the advisability of cutting down the order from ten cases to five cases is discussed. Many times that accomplishes the purpose.

The salesman who feels whipped because he has been turned down is working on the wrong theory. He should feel that he is a long way from being beaten. He should go ahead on the assumption that he has only skimmed the surface of his sales possibilities. When he does that, it is going to be difficult to talk him out of sales.

Wallie Maxwell, a salesman who operates through Texas, Oklahoma and Arkansas, recently said: "The chances are you proposed to your wife a dozen or more times before you got her to take a homely mug like yours. You didn't stop because you didn't make the grade the first time. Now, be as persistent when you call on the trade to sell them your line."



Some of the display material that was used in the Chevrolet convention hall.

Convention of Salesmen First Gun of Chevrolet Fall Sales Drive

Plans for Five Million Dollar Advertising Campaign and Better Sales Training Outlined at Detroit Convention of Field Force

By D. G. Baird

A BETTER Understanding of Our Responsibilities" was the slogan of a general sales convention of the Chevrolet Motor Company, held in the General Motors Building, Detroit, during the early days of June, that was fundamentally different from all other conventions of the kind in the motor car industry and perhaps in any other industry.

The unique feature of the convention was that, while it was exclusively a gathering of factory representatives whose primary duty it is to promote wholesale business, the dominant theme of the entire program was retailing and the retailer's problems.

R. H. Grant, general sales manager, told the delegates that they were there not only as representatives of the Chevrolet Motor Company, but as a body of men representing the "thoughts, desires and wishes of our dealer organization."

"You men have a double responsibility," Mr. Grant told them. "You are responsible to the Chevrolet Motor Company for the advancement of its business along sound, fundamental lines of policy. You are responsible to the dealer organization for absorbing their viewpoint and bringing up their problems to the point where the policies of this company may be effective in helping, not only individuals in the dealer organization, but the dealer organization as a whole.

"We would like to have you think, therefore, while you are here, that although our needs and desires are important, they are not more so than the needs and desires of this same dealer organization whom you represent. There needs to be a broader understanding among you men of the helpful policies which we are trying to initiate, so that they may be expressed to the dealer organization

with intelligence and enthusiasm.

"We have been devoting a great deal of our time to the study of how Chevrolet cars can best be sold at retail in a volume which will insure year-round financial success to the dealer. . . .

"We have offered to our organization a number of fundamental selling ideas. We know they are fundamental and correct, because we are able to point to numerous localities where they have been in operation for a considerable period and have proved successful. We expect to continue to urge our dealers to put these fundamentals into practice, and we expect to continue promotional work of this character; only offering to our organization those things which have been proved sound.

"We believe that we have made progress in the advancement of these ideas and policies to the dealer organization. The adoption of these policies by a large and

ever increasing number of our dealers proves this. We believe that a considerable number of you men thoroughly understand and are capable of intelligently promoting these policies with our dealers. We believe that all of you have a clearer understanding than you had at the beginning of our business year in 1924.

"However, there is room for considerable improvement, and we are hoping that, as a result of this meeting, all of you men will be better fitted to go back and point out to the dealers in your territory, enthusiastically and definitely, the things that are in their power to do to increase their selling efficiency."

With this definite statement of the purposes of the convention, the 450-odd representatives, comprising the sales managers, sales promotion managers, service promotion managers, and their forces from the five regions and twenty-six zones into which the Chevrolet Company divides the country, took up the study of the "Seven-Point Sale," which occupied their attention throughout the first day and

was featured during the entire time.

This seven-point sale was, in fact, the first thing to attract their attention on their arrival at the place of meeting. Entrance to the hall was through the arch of "Sales Success" which was approached by a flight of steps each of which was labeled with one of the seven points: Investigation, Dealer Letter, Direct-Mail, Album Demonstration, Road Demonstration, Prospect to Show Room, and Dealer to Prospect. These, it was explained, are the necessary steps in every sale of a motor car, whether they be taken in the course of a single interview or cover a considerable period of time.

The salesman makes an investigation to secure the information called for on the front of the prospect card used by Chevrolet dealers. The dealer sends the prospect a letter thanking him for the interview; the dealer sends the prospect's name to his zone office to be circularized in the direct-mail campaign; the salesman gives a demonstration with "A Ride in a Chevrolet," which is an album of photographs picturing many desirable

features of the car; the salesman gives the prospect an actual road demonstration, and brings the prospect to the show room where all Chevrolet models are on display and where the dealer or sales manager can help close the sale. Or if it is impossible for the prospect to come to the sales room, the dealer or sales manager goes with the salesman to the prospect's home to assist in closing the sale.

Display panels around the walls of the room presented other outstanding features of the Chevrolet merchandising plan, including the progress ledger, Chevrolet accounting system, the photograph album, prospect card system, salesman's data book, six per cent purchase certificate plan, Sales Speeder (the dealer house organ), a new book on "How to Demonstrate Chevrolet," a special manual presenting "A Selling Plan for Chevrolet Dealers," sales promotion plan for trucks, special equipment for salesmen, the dealer cooperative advertising plan, advertising helps, window display service and poster display.

A Trip to the Factory

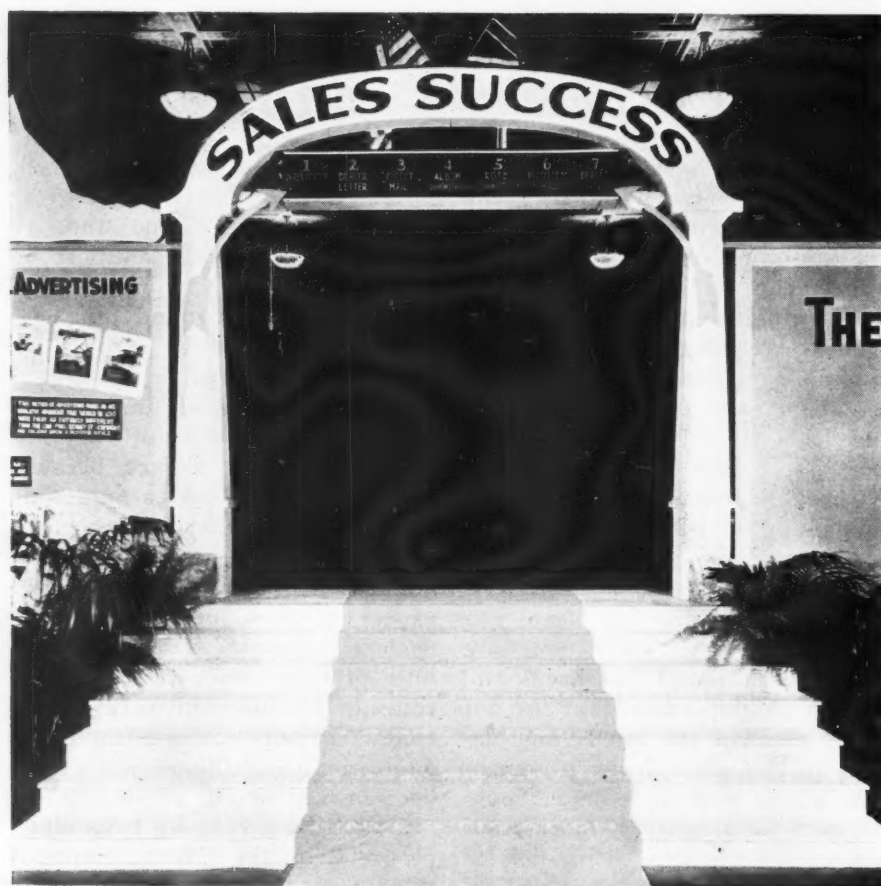
On the second day of the convention, delegates were taken to Flint by special train, where they inspected the Chevrolet factory. On the return trip they stopped at Milford and looked over the General Motors Proving Ground.

The third and last day was occupied by study and discussions of the time-payment plan, dealer accounting systems, representative's checking systems, the "Bull's Eye" system, community registrations and how to use them, and service promotion.

"There were two primary purposes of the convention," Mr. Grant explained: "To bring together all our field representatives and go over our entire merchandising plan with them, and to impress upon them the fact that their success and our success depends upon the success of the Chevrolet dealer organization.

"This was the first time in the history of the Chevrolet Motor Company—and of the industry, so far as I know—when all the field representatives were called together at headquarters for such a

(Continued on page 122)



The entrance to the convention hall was reached by mounting a flight of seven steps labeled "The Seven Steps to Sales Success."

Five Sales Managers Tell How They Deal With Commission Wrangles

Methods of Handling the Eternal Question, "Who Gets the Credit?" When Two Salesmen Work on the Same Order

IN a certain organization there was a ruling that a salesman should receive all the commission on all merchandise shipped into his territory. Each salesman understood that if he sold an order which was shipped into another man's territory, that he would forfeit his commission. For a long time the plan worked satisfactorily. Occasionally a salesman in one city would run into an order for goods which were to be shipped into another territory. Because each salesman occasionally received commissions on orders which originated in another territory, there was no complaint.

But one day a whopping big order came in from the New York salesman. He was credited with the commission before final details and a formal purchase order came through. In due course of time when the formal order was received, it was noted that the entire shipment was to be made to one of the Chicago salesman's territories.

When War Breaks Out

It seemed that the New York salesman did not know that the shipment was to go into another man's territory. Of course he had anticipated the commission and when he was reminded of the rule that commissions were payable to the salesman into whose territory the merchandise was shipped, he went up in the air. There was a howl. The Chicago salesman demanded his commission and dug up records to show that he had sold several orders which were shipped to New York, and on which he had received no commission. But they were small orders. The New York order was unusually large.

The quarrel assumed serious proportions. Both salesmen were on the verge of resigning. The New York man claimed that he had spent too much time and effort to give up the commission, or any

part of it. The Chicago salesman pointed to his contract and remained firm in his demands for the commission. Finally a fifty-fifty split was agreed upon, yet both salesmen felt that they had been cheated.

In certain respects this incident was unusual, due to the size of the New York order, but the problem of split commissions is one that is sure to arise in every organization sooner or later, and the time to settle it is before the "shootin' starts." When all salesmen understand thoroughly just what will be done in a given case, there is no room for argument. But in many organizations there is no set rule, and no advance agreement as to who will get the commission on orders which are sold in one territory and shipped into another. The growth of chain stores, branch factories, and branch sales rooms has complicated the problem.

The Necessity for a Contract

In an effort to present the policies and experiences of other concerns who have been confronted with the split commission problem, we are printing several letters from members of well known organizations. The first, from A. J. McDonald, of the Grand Rapids Show Case Company, stresses a very important point—the necessity of having a contract which provides for all contingencies. Mr. McDonald's letter follows:

Our contract with each salesman provides for full credit on every order received from his territory on which he has made a report, and half credit on all orders, this including mail orders, where report has not been made. No salesman receives credit on any order sold in territory outside of the territory assigned to him.

All details of an order, including the closing, may be carried on in one man's territory for shipment into another man's territory. The man who gets the credit is the man who has the territory in which the shipment is to be made, and we have frequent instances where a man in one territory carries an order through for

shipment into another territory, knowing full well at the beginning that sales credit will be given to someone else, also commissions will be paid to another man.

This arrangement applies not only to our individual territories, but to our divisions. Quite recently our Eastern division, with headquarters in New York, carried through two contracts for our Chicago branch, totaling more than \$40,000. The credit for these orders goes to the Chicago branch and to the salesman in whose individual territory shipment was made, and neither the salesman in our Eastern branch who carried these orders through, nor the Eastern branch itself gets any credit on our home office records.

It has been our experience that there is practically no sort of a misunderstanding, which may come up in a sales organization which cannot be readily decided if proper consideration is given to these matters, in the salesman's contract. All matters of this description are taken care of in our contract with our salesman, which eliminates the possibility of any argument.

The Question of Service

That it is fair and necessary to provide for the salesman who does not actually obtain the order, but who may be called upon to render some sort of service, is the opinion of many sales managers. For example, the following letter from F. M. Rowles shows how his company, the Tide Water Oil Sales Corporation, provides for the salesman who may have to render service on orders obtained by other salesmen:

We have a definite territory allotted to each salesman, which I think is the most favorable plan. We do, however, find that in some instances goods are sold in one territory and shipped into another man's territory. In the event that we find this condition we give credit to the salesman in whose territory the goods are sold. Our theory being, that the man with whom the order originates is the salesman who is really in contact with the buyers.

We do in some instances, however, make special concessions. For instance, should we have a large automobile distributor in one city with four or five branches, or what is commonly termed as sub-dealers, in other cities, we would give credit to the salesman in whose district the sub-dealer is located; our reason in this case is the fact that the salesman in each of these outlying cities must have an interest in the sale of these goods; in other words,

he must keep the dealer in this particular city sold on our products and see that he is given the necessary service.

W. H. Mitchell, manager of the Denver branch of the Royal Typewriter Company, says:

Without quoting the company's set rule for dividing commissions, my idea of the situation is as follows:

If a salesman has the purchasing power in his territory and secures a requisition for a machine to be delivered in another salesman's territory, the former should get credit for the sale, and divide the commission in some satisfactory manner with the salesman in whose territory the machine is delivered.

It sometimes happens that the salesman in the territory where the machine is to be delivered is able to have the requisition handed to him direct. In this case he is allowed full credit for the sale and all the commission. This for the reason that the salesman who has the purchasing power in his territory does not have a strong enough hold on the business to retain all the credit for selling. However, it sometimes happens that companies desire to place requisitions locally at the points of their branches for the good will created by being a local buyer.

If a salesman is trying to sell a branch and secures the assistance of the salesman at the purchasing headquarters, and the latter lands the sale, the same rule applies as in paragraph one.

There is another point to mention and that is that the branch office making delivery for a selling office should be entitled to at least one-half of the company's profits on the sale to take care of the handling of the transaction and the service that may be necessary during the period of the guarantee on the machine.

A large office appliance manufacturer who does not care to be quoted, states that the invariable policy in his organization is to split commissions fifty-fifty, one-half with the salesman in the territory where the order is procured, and one-half to the salesman in the territory where equipment is delivered and used. This policy takes care of the salesman who supervises the installation and makes the necessary follow-up and service calls.

One of the most important features of the problem is to so divide the commission that the salesman whose contact will influence repeat orders will have enough monetary interest in the customer to render prompt and efficient service. This is one of the largest reasons for splitting commissions with a salesman who does no work in obtaining the original order, but who will come in contact with the customer after the equipment or merchandise is delivered.

A case of this kind recently came up in connection with a chain store order which was placed with a soap concern. The salesman who sold the headquarters buying office promised the cooperation of all the company's salesmen. The local salesmen, in towns where branch stores were located, were supposed to be responsible for helping the store managers with displays, window trims, and other advertising helps. But it was only human for them to resent having to do this work when some other salesman received all the commission. It was finally agreed that the local salesmen were to receive one-fourth of all the commission for their cooperation with the branch store managers.

In the case of an office appliance concern, a certain salesman sold some accounting equipment to a large company whose branch offices in a number of cities were to be furnished with identical

equipment. At the time the order was taken the problem of splitting commissions did not come up. But a few months later when the equipment was delivered to all the branches and the local salesmen were requested to service the machines and teach operators how to use them, there were many questions, "Who sold this order, and why didn't we get commission, if we are supposed to give service?"

It was apparent that future business was very much dependent upon the good reports of the branch houses, and equally apparent that each branch house manager would have to be "sold" on the equipment before he would recommend it to the home office where the orders were placed. So the salesman who originally sold the home office agreed to split commissions on all future business with the local salesmen provided they would service the original order.

Scores Jobbers Who Do Not Protect Retailers

Editor, Sales Management:

We note your article in the last issue on the "Dealer Who Holds Out for the Jobbing Discount."

Put the shoe on the other foot and raise hell with the jobber who sells retail to private individuals at the same price he sells to his dealers. For instance:

Last spring we sold shingles, and the carpenter to whom we sold them gave us the names of three others for whom he was going to build. We sold two of these three and made the same offer to the third party, but as he was not ready just at that particular time, he would not place the order.

After delivery of the shingles, one party remarked about the jobber's name on the shingles. On seeing the third party again, he said that he had already placed the order for shingles and that they were just like those we had supplied to his brother. These shingles were sold to this third party at the same price that we paid for them, which was, of course, less than our sale price.

This gummed up the whole works. These same people now look on us as a bunch of robbers, just because we tacked on to our cost price a legitimate profit.

We do not think it is right that a private individual who had no connection with any contractors or building material supply concerns should be able to buy anything from a jobber at the same price at which we buy. The jobber will probably never see the private individual again, whereas we buy in quantities and repeatedly.

Practically 90 per cent of the material we buy is from the same jobber and, at the present rate, this amounts to a couple of carloads a month.—J. H. Umland, Umland Bros., Inc., Buffalo, New York.

The annual Pacific Northwest Merchants Exposition will be held in Seattle August 17-22. The event is held to permit western manufacturers to show the latest advances in their merchandise, and to educate the buying public regarding the diversity and merits of Pacific Northwest products.

Why We Answer "Yes" to the Question "Do Premiums Really Pay?"

A Discussion of the Objections to Premium Advertising Voiced By Sales Executives in the June 13 Issue of Sales Management

By *A. J. Leatherock*

Friedman Manufacturing Company, Chicago

IN the June 13 issue of Sales Management a number of sales executives expressed vigorous disapproval of all premium methods for building sales.

While we do not wish to enter the discussion as defendants of premiums, it occurred to us that our experience with premiums might serve to help clear up some of the misunderstandings which some executives seem to have regarding premium plans.

In our particular business the use of premiums has proved extremely successful. We rather lean to the theory that the reason some executives are so bitterly opposed to premiums is due to the natural instinct to oppose someone's getting something for nothing, and after all, this is the big appeal in premium merchandising. Everyone likes to get something for nothing. The person at the other end of the exchange resents this, and it is the resentment creeping out, we believe, that has caused so many failures in carrying out premium campaigns successfully.

Premiums in All Selling

In nearly all selling there is, after all, some form of a premium. Marshall Field's slogan, "The Customer Is Always Right," can be considered a form of premium; a sliding scale of discounts is a premium; whenever a store conducts a sale, the cut price acts as a premium. Technically, in every sale you can find a premium of some kind, in some manner, somewhere.

When a great many firms decide on a premium campaign, it means, broadly speaking, that they are going to take a certain percentage of their advertising appropriation, put it in merchandise, and offer it to consumers as a reward for continuous purchasing of the firm's

products. But before they get very deeply into the matter, they commence to build a hedge. So often they figure this way: We will buy these premiums at a wholesale price. Then we will tell the consumer that if she saves so many of our wrappers, packages or coupons, we will give her the premium for so many wrappers, packages or coupons, and so much money, and we will make the money charge enough to cover the wholesale cost of the premiums, plus express or freight.

We have seen this done time after time. As a case in point, we recall one premium campaign where a company gave a number of pieces of aluminum ware for a certain number of coupons, and

approximately three dollars in money, the three dollars in money being more than the aluminum actually cost, plus the transportation charges. This campaign failed.

We know of a similar campaign where a set of dishes was the premium offered, where the same thing was done. It also failed.

In still another case we recall, the company gave a premium free, but admitted during an investigation that they were reducing the quality of their goods to take care of the cost of the premium. If this was not business suicide, we don't know what it was. The premium campaign did not fail, but the business probably will.

The housewife today is pretty well educated on value. She knows



Our coupons may be redeemed at any time by the housewife at her dealer's store—the premium is furnished direct from the display rack and she does not have to wait for it.

about what most premiums would cost ordinarily; she knows about when or where she can buy similar articles on sale at approximately the prices listed in the premium campaign. She knows this because when stores handling items which fall into the class most premiums do, put on a sale, they price them pretty close to the wholesale price.

The housewife also resents being told that she is going to get something for nothing, and then have to pay for it, and instead of creating additional good will in the house and the product, a company pursuing these tactics is only building a barrier or resentment.

In our own case: our product is highly perishable, and must be moved swiftly through the regular channels from us to the wholesaler, to the dealer, and to the consumer. At the close of the war, competition became very active, due to the building of a great many factories for the manufacture of oleomargarine during the war. The consumer outlet for oleomargarine is to some extent limited. Furthermore, our various activities, due to government and state restrictions in both the selling and advertising of our product, are also curtailed somewhat.

When Competition Is Heavy

In the post-war period our competitors began advertising heavily through the usual channels—newspapers, billboards, window displays, etc. Consequently, one firm's campaign for additional business would, to a great extent, be more or less offset by another firm's campaign. At this time it was not unusual to see four or five oleomargarine companies using the billboards and newspapers in one town. There were often as many as eleven different brands of oleomargarine advertised on one day in the Friday edition of newspapers carrying "Market Basket" pages.

In our position, even though many thousands of dollars might have been appropriated for an advertising campaign, we had no assurance that our volume of business would show any material increase. In order to get out of the routine method of advertising our product, we finally decided on a premium plan.

To begin with, we tried out the premium plan in only one market. In approaching the idea of giving premiums, we did not figure how cheaply we could promote such a plan, but rather how much we could afford to give. From this angle we picked and bought the very best premiums we could find for the amount of money we felt we could afford to invest in this drive, and then made our plan of handling just as simple as possible. We did not condemn advertising, but used the usual channels to let the public know of the premium offer we were making.

Cutting Out Red Tape

An investigation had shown us that the drawing power of a premium plan was considerably retarded if the giving of the premium was surrounded with a lot of red tape. The simpler and easier we could make it for the consumers to get the premium, the more the premiums would appeal to them, and the more good will we would establish.

We decided on a minimum time period for one campaign, making it just long enough for a consumer to get one premium.

When we buy premiums from a manufacturer, we have certain quantities, according to the need, shipped direct to our wholesalers. The advertising material is sent direct from our plant. Our wholesalers are instructed and helped by our salesmen to induce merchants to display the premiums. In return for doing so, and to get the merchant's good will, we immediately give him one of the premiums. Or, if we are offering a number of different premiums, we give him his choice. This not only makes a friend of him, but obligates him to a certain extent to handle the deal according to our ideas.

In order that the consumer will not have to wait for her premium, the dealer is authorized to give her upon presentation of the proper coupons, a premium from the display, and this is immediately replaced by another by our wholesaler. This particular feature makes a big appeal to the consumer, as Mrs. Watson or Mrs. Howard can come in, give the coupons to the merchant, put the premium under her arm and walk out with it.

Our jobbers are made responsible for the premiums and in turn the coupons. Their ordinary procedure is to place this matter in the hands of the salesman, making him responsible for the premiums and coupons in his territory.

We would like to tell you just how successful these campaigns have been in the way of percentage increase in business, but this information cannot be given out. We have now developed our premium plan until we have five premiums on display in every store where our goods are handled. A picture of the display is reproduced with this article.

While our redemptions are big, they are, of course, on a direct pro rata basis against our volume of business.

We get thousands of letters from the consuming public commenting on the quality of our premiums, suggesting new ones they would like to have, and remarking on the quality of our product.

Must Be Sold on Plan

We have just recently decided to broaden and enlarge our premium plan, and establish a premium department. In addition to the premiums we have been offering through our wholesalers and the local dealers, we are now putting out a premium list offering to the consumer a wide choice of articles in return for mailing us coupons.

This, briefly, is our attitude in regard to premiums, and our experience with them. We think the only reason some firms fail with the premium plan of selling is that they go into it against their will, or against their beliefs, and you cannot put across something you do not believe in. Before we ever started selling through the premium idea, every member of our organization was sold and thoroughly convinced that it was a good plan.

A \$50,000 campaign to advertise the city of Chattanooga has been started, designed to attract new industries and branch offices to the city and to advertise its advantages to tourists. The advertising is being handled by Nelson Chesman & Company.

We Started Advertising Too Soon and Spent Six Years' Profits

The Advertising Was Successful But the Selling Plan Was Wrong and the Business a Failure Until We Changed Distributors

An Interview by Ruel McDaniel with

Thomas E. Lyons

President, Delaware Punch Company, San Antonio, Texas

AS advertising piles up one record after another, and the tales of how it made these records are told, it is considered more and more as the sound sales aid that it is, rather than some magical thing able to accomplish the practically impossible. And as it is considered a part of the sales plan more and more, failures are going to be chalked up against advertising less and less.

The new business organization that would scoff at the idea of hiring inexperienced salesmen and putting them out on the road without samples or instructions, has been known to spend large sums for advertising without knowing just what they intended accomplishing with it. Sooner or later, all users of advertising space learn that the advertising plan must be based upon the sales plan—must be a part of the selling campaign.

Advertising as a Sales Aid

The experience of the Delaware Punch Company of America, San Antonio, Texas, is an example of how advertising can be best employed as a sales aid, for this concern has tried it both ways.

"When we organized in 1913 with a capital of seventeen thousand dollars," says Thomas E. Lyons, president of the company and originator of the formula upon which the business is built, "we were in quite a hurry to start advertising, even though we were just beginning to find a market. We spent sixty-five thousand dollars for newspaper advertising that first year, and afterwards discovered that it did us little actual good. We struggled along for six years, using a great deal of advertising space and making not a dollar actual profit before we

discovered that our advertising plan was all wrong."

The truth of the matter was, as Mr. Lyons goes on to explain, that the company was in such a rush to begin advertising that it did not properly consider what they wanted to do with advertising and how it was to tie up with selling.

When Delaware Punch first came on the market, it was sold in the form of syrup to soda fountains. The fountains mixed it and sold it in glasses as the demand called for it. The company somehow considered that this was the logical medium for distribution to the public, without stopping seriously to consider why. It got the syrup in the hands of a goodly number of fountain owners and then started a newspaper advertising campaign. More and more space was used, and sales climbed fast. But trouble developed ahead. Regardless of the fact that the company spent several times as much for advertising the first year as its capital stock totaled, advertising did not produce repeat orders as advertising must do to prove a permanent success. The space did its duty, for it brought people to the soda fountains by the thousands to try this new drink; but they did not come back as they should have.

Six Years Without Profits

After running along for six years without making a profit, determined to make advertising carry the most of the load, the company finally realized that advertising can only create attention and a desire to try a product. That after that, it is up to the product and the method of distributing it to the consumer. Extensive investigation showed that fountains were failing to mix the syrup properly,

some making it too strong, others not making it strong enough. Customers could not find a standard mix, apparently.

Then after these six years of sales effort and extensive advertising, the company completely overhauled its distribution plan, and likewise its advertising. Starting a little more than three years ago with the present plan in effect, the Delaware Punch Company has gained distribution in every state in the Union and is ready to go to foreign countries. Last year the company's sales totaled 172,000,000 bottles; and advertising today costs considerably less in proportion to sales than it did when the company was struggling to hold its own.

Successful New Policies

What brought about the change was the switch from soda fountains to bottlers of carbonated beverages as an outlet to the consumer; and a sale advertising plan that is hitched onto this means of distribution. Selling costs have been greatly reduced, even though distribution is many times greater.

Under the plan which enabled the company to gain this phenomenal growth in three years, a bottler in each local trade territory is secured to handle the company's product. He is sold by mutual tallying of interests. That is, he seeks the product as much or more than the product seeks him. When a man agrees to take on Delaware Punch he is thoroughly investigated before he is given a contract. His plant must come up to a rather rigid standard of sanitation, and the bottler himself must be a business man capable of increasing his business.

When a bottler takes a contract, he then buys the syrup, as in the

case of the fountain owners under the original plan, and does his own bottling. But because modern bottling plants are operated under similar conditions the country over there is not such a wide difference in the quality of the finished product as in the case of the fountain drink. At least, a person who drinks Delaware Punch in a certain town gets the same mixture and quality every time he drinks it, because every drink he buys is bottled in the same plant under identically the same conditions. There is a uniformity, to a degree, in Delaware Punch throughout the country, and an absolute uniformity in every city.

While the company was gaining distribution under the present plan, advertising men and salesmen worked together. They worked in crews, taking a state at a time. A crew consisted of about five men, some to sell, others to distribute advertising and still others to work with the bottlers toward launching the product in their respective territories.

Handling Dealer Helps

At no time during the past three years has advertising been expected to produce business independently of selling effort; and no advertising goes to waste. Newspapers, dealer helps and trade journals are the mediums employed at the present time.

The company's plan of distributing dealer helps, including newspaper mats and electrotypes, is worthy of consideration, because of its economy in preventing waste on the part of the bottlers. The bottlers are allowed as an advertising appropriation 10 per cent of their purchases from the company. The contract says that this is to be spent on whatever forms of advertising are being used by the company at the time the allowances are given out. If a bottler buys, say, \$800 worth of syrups, his advertising account is credited with 10 per cent of that amount, or \$80.

Signs for the use of dealers are among the largest expenditures for advertising by the company, and naturally the bottlers spend much of their allowance on these. When they know that they are being charged for these signs, bottlers

are careful that they do not order more than they use nor waste any when they get them for distribution. The same arrangement holds with electrotypes. Under certain conditions the company pays a portion of the cost of newspaper space used by local bottlers, in addition to furnishing the cuts and copy as provided in the 10 per cent allowance.

Once national distribution was gained, the company was able to reduce its sales force materially and still maintain and increase its volume. After a territory has been covered, selling them evolves itself into nothing more than an occasional inspection of the bottlers' plants and aiding them on special occasions to increase their own distribution of Delaware Punch. It is only while the company is

getting into a territory for the first time that its own advertising men and salesmen visit the dealers and distribute advertising matter. Thereafter it is up to the bottler to do this in his field.

Although carbonated beverages are summer products and the concerns manufacturing them have a seasonal business, the Delaware Punch Company does not have to vary its sales force from summer to winter, because the work that salesmen must do is needed the year round. They can inspect plants in winter the same as in summer; and they can assist local bottlers in special drives at any time of the year. In fact, the bottler needs outside help during his slack season more than at any other time, for the natural demand keeps him busy during the summer.

Adopts Uniform Allowance for Salesmen's Hotel Expenses

BECAUSE of the difficulty in controlling and checking hotel expenses of salesmen, the Bussman Manufacturing Company of St. Louis has adopted a standard hotel allowance, based on the size of the towns visited by the salesmen.

In commenting on this plan, Harry T. Bussman, vice president of the company, says:

"This standardized allowance was adopted the first of this year and seems to be working out very well, and certainly with much more fairness to all men. It compels the man who likes to spend money on hotels lavishly to cut down on his expenditures or pay the money out of his own pocket. This standardized allowance was based on a study of one year's expense accounts of all men.

"We have three different scales of allowances, depending on the size of the city. A certain allowance is made for breakfast in a city of a certain size and a larger allowance for larger cities. A certain allowance, varying with the size of the city, is made for dinner. No allowance is made for lunch, as the cost of a lunch is the same, whether the salesman is in his headquarters city or in some other city, and obviously the company

does not pay for lunch while the salesman is in his headquarters city.

"A certain allowance is made for lodging, the amount varying with the size of the city. This lodging allowance was arrived at by obtaining the average room rate and adding 50 cents a day to cover tips, laundry, etc. Where a sleeper is used, the full sleeper rate is allowed, plus 50 cents for the reason previously mentioned.

"At times, of course, the salesman's cost for lodging will be higher than the allowance, but at other times it will be lower, so that it will average out at the allowance given. In checking the expense account, it is only necessary to check up on the size of the city in which the salesman spent the day, and the correctness of the expense account is then readily checked."

E. R. Shaw of Power Plant Engineering, is chairman of the committee in charge of the annual convention of the Associated Business Papers, Inc., to be held in Chicago October 13-15. Other members of the committee are E. E. Haight, Motor Age; and G. D. Crain, Hospital Management.



When the Printer Delivers Your New Display Material—Then What?

Suggestions from the Experience of The Borden Sales Company In Dodging the "Detours" on Road from Printer to Dealers' Windows

By Stuart Peabody

Borden Sales Company, New York City

IN all the branches of advertising, there are few single items which may involve as much sheer waste as the distribution of dealer helps and display material.

The road from the printer or the lithographer to the dealer's window is a long and arduous one, and it is littered with beautiful display pieces which have fallen by the wayside.

Of course, no piece of display material is worth a cent until it is filling the eyes of possible consumers, and thus gladdening the hearts of dealers and manufacturers. Until it achieves this result, it is not only not an asset, but a serious liability, because it and its companion pieces are tying up a lot of good money.

Yet how many manufacturers, who spend big sums for costly dealer helps, are sure that a reasonable percentage of them is put on display? How many costly pieces find their ultimate resting place in warehouses, and brokers' offices, and salesmen's cellars, and retailers' back rooms?

Some benefit may come from a consideration of these dealer help graveyards. The first stopping place is the manufacturer's own warehouse. The advertising manager, obsessed with an idea of his own, or under the spell of a lithographer who is suffering from a slack period, buys a healthy quantity of a new display piece. He tells his men and the trade about it and samples go out.

Everyone agrees that it's a good piece, but the orders don't come in. Maybe it's too big for the average window. Maybe the men just don't like it. Anyway, they refrain in large numbers from ordering it, and it sticks. The warehouse is cluttered up, money is tied up, and the piece may become obsolete before the entire quantity, with much coaxing and urging, is worked out.

It is always advisable to consult the trade, and the men who work it, before making an investment in a new or unusual piece. In the last analysis, the salesmen in the field will make it or break it, no

matter how good it seems to be. It is often a good plan to order a small quantity first, and get the reaction of the trade and the sales force, even though the price per unit may be high. Then, if it is a flop, the loss is small, and the salesmen and the trade may exercise their deadly prerogatives at little cost. It is well to remember that a salesman will use consistently only those pieces for which he has enthusiasm. If he has no faith in some particular dealer help, he won't have much success in selling a dealer on letting him put it up.

An advertising manager of a hardware house produced an excellent, though unusual, piece. He announced it to his men in the usual manner, and waited for a rush of requisitions. They didn't come. Now, this advertising manager knew this piece to be the best the house had ever had. He decided to sell it, just as goods are sold. He wrote a personal letter to everyone of the men, pointing out the advantages of the piece

and setting off a lot of fireworks about it. It worked—the men got busy and got the display into action and it sold a lot of goods.

Offices of branch houses and brokers make excellent cemeteries. The dealer help room is frequently in charge of a minor clerk, and he doesn't let the responsibility bother him any. He stacks the displays poorly and they become dog-eared and dirty and generally unusable. He lets the salesmen come in and paw them over. He doesn't see to it that an even balance of distribution is maintained. To correct this, many houses instruct their district managers and traveling supervisors to inspect dealer help stocks immediately upon going into a market and to bear down hard on anyone who isn't treating display pieces right. This has a tendency to encourage proper care.

Dealer Help Allotments

Often representatives of this type feel that they aren't doing the right thing unless they order huge supplies of new pieces to show their enthusiasm. They think this show of activity will go big with the house, and that if they order moderately, the home office will think they're shirking. The result is that where a two months' supply would have been sufficient, a quantity is ordered which can't be worked out in six, and a big spoilage occurs.

In the Borden Company, we work through merchandise brokers in about 100 cities. To each of the brokers we give a dealer help allotment, just as we give them a milk allotment to sell. The dealer help allotment is based on a record of the requirements of the territory over a period of years. We furnish them with an itemized list of the displays available together with prices, and tell them that all withdrawals will be charged against the selling cost in their territories.

This insures a proper appreciation of the value of the displays, and results, too, in more even and economical withdrawals of materials. It gives us a check on the use of displays. Of course, if a representative calls for more material than we have him down for, he may have it, providing we are convinced that it is being properly

used. Conversely, if requisitions are not up to allotments, we are in position to go after the representative, and urge a more generous use of displays in the market.

Frequently, the district representative doesn't sell the idea of placing displays to the salesmen properly. He doesn't insist upon each man's taking an adequate supply with him when he calls on the trade. Here again, congestion results, and the allotment system enables the house to uncover and correct a serious condition.

Much could be written of salesmen's cellars. In many cases, it is impossible to have the salesman call at the source of supply every day for his display material. So he takes enough to last a week or a month. Obviously he can't carry it all with him. So he stores it at home. He gets in a nice supply, and the next time he calls at the office, there's a new piece. "That's a knock-out," he says. "Give me a bunch of them." And so the new love replaces the last one, of which he also has a generous supply, and another grave is dug.

Sometimes, too, the salesman gets sick of the sight of a particular piece and lets it languish. Often he orders big supplies of large pieces, although he knows in his heart he won't use them. No salesman is particularly fond of carting big heavy displays around his territory—in the summer because it's too hot, and in the winter because it's too cold. At all other seasons, they're just too heavy. Yet if he doesn't order out some of those big new backgrounds, the house will think he's dogging it. So he orders them, and down the cellar they go.

The Dealer's Back Room

Of course the answer to this is proper education as to the sales and monetary value of displays, and consideration of the salesman's problems. In the first instance, the dealer help inventory, with costs, is very effective. If a conscientious man is impressed with the fact that display material is not just so much colored paper, but that it cost the firm a real sum of real money, he won't handle it so carelessly.

If the firm, in designing material, will look at the salesman's

side of it, and keep the size and weight of the pieces as small as possible, the men are bound to respond. One concern, manufacturing a low cost food product, has only one piece which won't fit comfortably into a salesman's sample case, and that is a background which is used only in elaborate windows. The result is that all the men are enthusiastic, and I don't know of a company in the country which is better represented in grocery stores.

Finally, have you ever prowled around in a dealer's back room or cellar? Here the shambles are most horrible, and one shudders to think of the aggregate amount of money wasted. Yet every defunct piece was sent out on its eye-filling mission, with the fond and confident hope of someone pinned to it.

Putting Off the Salesman

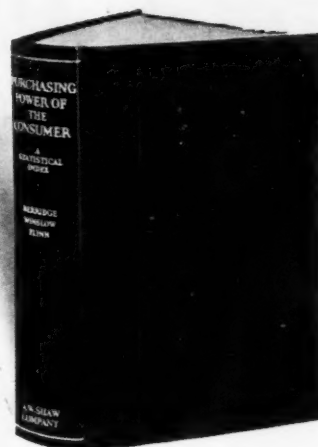
Perhaps the greatest single leak here is the little game called "Putting off the Salesman." The latter comes in with a good display, and asks the dealer for a window or a space on the shelf. The dealer hasn't got it now, and he won't let the salesman tear out someone's else display. However, if the salesman will leave it, he, the dealer himself, will put it in. So the salesman does, and the dealer doesn't, and there's another little job for the undertaker. Probably the dealer has the best intentions, but he just never gets around to it. Or maybe he never expected to put it up anyway. In either event, another count has been added to the indictment that advertising is wasteful.

Sales and advertising managers will do well to instruct salesmen never to leave displays with storekeepers. Further, they should be instructed never to leave a retail store without leaving some piece of advertising matter, however small, some place where it will work.

Frequently advertisers send elaborate displays indiscriminately to merchants. This is inviting disaster, and it is safe to say that a criminally small percentage of material so sent is used. It is far better to make the dealer send for the displays of his own accord,

(Continued on page 127)

*SUGGESTIONS of methods
for using current public
statistics as a measure of
purchasing power.*



Three Prize Essays *now published in book form*

IN 1924 the J. Walter Thompson Company awarded the three prizes offered for the winning essays on the subject, "A Statistical Index of the Purchasing Power of Consumers in the United States."

Now these three prize-winning essays have been published in book form for practical business use.

First Award \$1,500 to Essay entitled "An Index of the Incomes of Factory Workers in the United States," by Professor William A. Berridge, Ph. D., Brown University, Providence, Rhode Island, with the assistance of the Staff of the "Brown Bureau of Business Research."

This paper first presents a series of indexes showing the earnings of workers in certain groups of industries and then combines them into a general

index of earnings of industrial workers. This general index is then converted into commodity purchasing power.

Second Award \$800 to Essay entitled "Contributions from Budget Studies to the Construction of a Statistical Index of the Purchasing Power of Consumers in the United States," by Dr. Emma A. Winslow, West View Park, Riverside, Connecticut.

This essay approaches the subject from the viewpoint of expenditures as shown by family budgets.

Third Award \$500 to Essay entitled "A Statistical Index of the Purchasing Power of Consumers in the United States" (recommending the State Employment Office Index), by Richard A. Flynn, Chief, Division of Employment, New York State Department of Labor, 124 East 28th Street, New York City.

This paper establishes the fact that the ratio between the number of applicants for employment and the actual employment available in the public employment offices may be used as a comparatively simple index recording variations in purchasing power.

Sales managers will find in this book practical suggestions for the working methods by which current public statistics can be used as a measure of the purchasing power of their customers.

We shall be glad to send you a copy of this book upon receipt of \$4.00. If you wish to return the book within five days, money will be refunded. Address Research Dept., J. Walter Thompson Company, 244 Madison Ave., New York.

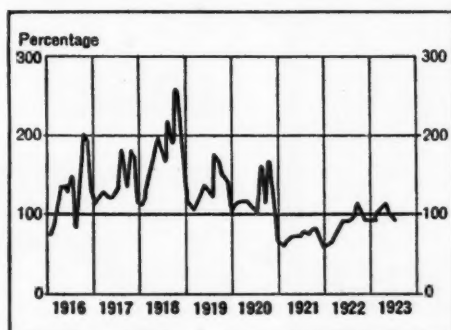
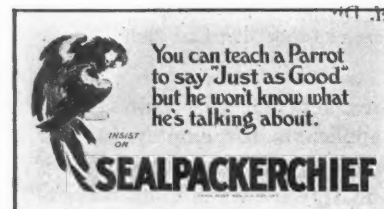
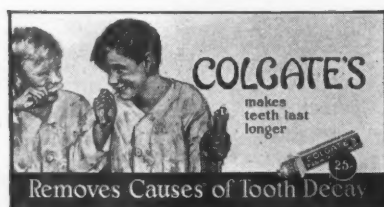


CHART showing percentage of available positions to applicants for positions. One of many charts showing relations between business conditions and consumers' ability to buy.



(SECTION OF "TOP END")

You Can Answer This Question-

WHY

Have These Famous Advertisers used

INTERBOROUGH

Subway & Elevated

ADVERTISING

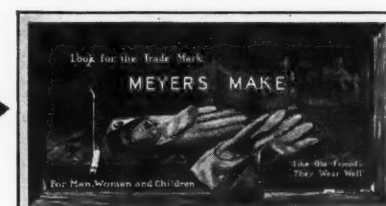
for more than

15 YEARS EACH ?

INTERBOROUGH ADVERTISING

CONTROLLED BY

ARTEMAS WARD, INC.
50 UNION SQ. NEW YORK, N.Y.



(SECTION OF "SQUARE END")

A Year-Round Contest That Works

Westinghouse Lamp Company Borrows Stock Exchange Methods for Maintaining Interest in Twelve Months' Contest for Salesmen

ONE of the cardinal rules to be observed in the planning of a sales contest is "make it short." To avoid lagging of interest and loss of stimulation to increased sales, three or four months is ordinarily considered as long a period as most contests can successfully hold up. How the Westinghouse Lamp Company forms the exception that proves this rule is told here in the story of a year-round contest plan used by that company with very satisfactory results.

Sales managers will find in the following account an idea which may be adapted to other merchandise lines, particularly those that are sold on a contract basis. The measure of results is in effect a pretty accurate gauge of a salesman's efficiency, since it requires as much attention to renewal or reorder business as it does to new business; where it is desirable to include credits to salesmen for other activity, such as the sale of advertising material to dealers, this can easily be incorporated into the plan of contest. In fact, it was done in this case.

A Wall Street Contest

Approximately four months were spent in the preparation of the rules and regulations governing the contest after the central idea was hit upon, and a large number of hypothetical cases were followed through to a conclusion to verify the effectiveness and fairness of each rule. At the very start, automobile or airplane races, golf games and other sporting events were discarded as being trite subjects over which the majority of salesmen would soon lose their enthusiasm.

The idea finally adopted was a stock exchange on which each salesman represented an issue of stock with prizes for the salesmen who obtain the greatest increase in the market value of their stock. Market values fluctuate from month to month, according to net increases or decreases in contract

business signed or lost by the salesmen.

At the beginning of the contest, each salesman was started at par, or 100, which represented the sum total of all his contracts in force at that time, irrespective of the actual dollar value of those contracts. Thus each salesman started on an equal footing with every other salesman. The next step in the development of the stock market contest was the creating of a point system of credits which would be equitable to all salesmen, whether located in large territories or small areas, whether operating in busy industrial centers or "working the sticks" where contracts are more widely separated and smaller in dollar value. This is worked out on a system of graduated points, according to contract value. The tables below are based on Mazda lamp contract values, but could easily be altered to cover another merchandise line.

LARGE LAMPS		
Contract Value		Points
\$ 150		1
300		2
600		3
1,200		4
2,500		6
5,000		10
10,000		16
25,000 (or over)		25

MINIATURE LAMPS		
Contract Value		Points
\$ 500		4
1,000		7
2,500		10
5,000		15
15,000 (or over)		25

PROJECTION LAMPS		
Contract Value		Points
\$ 250		2
500		3
1,000		4
2,500		6
5,000		10
10,000		16
20,000 (or over)		25

By estimating the maximum point credit on large contracts, it obviates the possibility of any one salesman clinching the contest through the fortunate acquisition of one or two big contracts. It so happened that the salesman who stood at the top of the list at the end of the first month, through the signing up of two very large lamp

contracts, slipped back to twenty-fifth place at the end of the third month. This was due not only to the limitation put on maximum point credits, but to penalties attached to the failure to renew certain contracts at their expiration. These penalties in points correspond in value to point credits, so that a man starting at par (100) must renew all existing credits during the year, or failing to do so, must substitute for them new contracts of equal value. Otherwise his market value drops below par, or if he has raised it above par, his standing suffers accordingly.

The differential in point values between large and miniature or automobile lamps was arbitrarily established further to equalize the possibilities of the salesmen working in these two different fields. One other equalizing factor was introduced to avoid handicapping the salesmen working the small dealer trade. For every \$40 worth of advertising material sold, the salesman is given a credit of one point.

Keeping Contest Records

At the close of each month the district sales manager turns in a report for each of his salesmen, showing the number of lost contracts as well as new contracts. The net result, with whatever credits there are for advertising material sold, determines the salesman's net gain or loss for the month. The reports of all the salesmen are then tabulated at the home office and a market report is issued in the same form as stock quoted in the daily newspapers.

Two sets of prizes are awarded, one set of grand prizes for highest market values at the close of the year, and another set for greatest market value increased during each quarter. These prizes are in the form of common stock of the Westinghouse Company, which gives the added incentive to the salesmen of becoming stockholders in their company. Thus it is a stock market contest in more than one sense.

Due to the fluctuations in the salesmen's market value from month to month, there is a new group of top men practically every month, and it is impossible to predict the winners even at a late hour. One sizeable contract at the last minute may put a man in the running where he formerly was below the first fifteen or twenty men. Also it is practically impossible for the same man to win more than one or two quarterly prizes at the most, because his market value at the end of any quarter is his starting point for the competition for the following quarter. Hence, if he has made a good showing in one quarter, it is all the more difficult for him to repeat as he must practically redouble his efforts.

While all salesmen are eligible to compete for the quarterly prizes, in order to qualify for the major prize competition, a salesman must raise his market value to fifty points above par, or 150. In other words, the major prizes awarded at the end of the year go to those men whose market value shows the greatest increase above 150. If they remain at par or register less

than 50 points net increase, they are ineligible to compete for the major prizes.

The above account merely touches upon the high spots of this unique form of contest. Such considerations as eligibility of new salesmen, non-qualifying contracts, divided credit, etc., are all covered in the rule book issued to each salesman by the company. This booklet also provides a handy method for each salesman to record each month his own standing in the contest, as well as the monthly high man and quarterly prize winners. This gives him a comparative method of estimating his own chances and knowing what he has to do in order to keep in the running.

From an executive standpoint, this form of contest has a novel angle in that the sales manager has before him each month virtually an efficiency record in convenient short form covering every salesman in the field, and by watching the plus and minus signs in the last column of the market report, he knows whether or not business is generally good or whether it is falling off.

When Rumor Mongers Attack Your Business

THE rumor monger is one of the most despicable characters to be found in business. On the tip of his tongue is all manner of gossip, reports, rumors, and alleged "inside information."

There are few concerns, particularly those concerns which have managed to grow large and prosperous, who have not, in one way or another, suffered from false rumors, spread about the industrial and business world by these rats of business.

Several years ago the owners of a large theater in Chicago suddenly noticed a falling off in patronage. Investigation showed that the report had been spread throughout certain sections of the city that the new theater was unsafe—that it might be expected to collapse at any moment.

Instead of greeting the report with dignified silence the owners immediately called in the city

building authorities, noted architects and builders, and instituted a thorough inspection of the building. Reports of these authorities were published in large space—paid space, together with an offer of a reward to anyone who nailed the instigator of the malicious report.

Bank records are filled with cases where banks have been seriously embarrassed by reason of "runs" resulting from rumors. One Chicago bank suffered a severe "run" as the direct result of rumors spread among depositors of foreign birth.

The old idea among business men, when faced with the problem of handling malicious rumors, was to greet them with a dignified silence. Later it became fashionable to make heated and indignant denials to bright young cub reporters, who listened respectfully, but were unable to break into print

with more than a few lines of copy. But today many concerns, when confronted with the problem, do not hesitate to come out in the open and publish sane and frank statements which soon put an end to false and damaging rumors.

Just recently word has been whispered around in the shoe trade that Roberts, Johnson and Rand had set aside an enormous fund with which to go into the retail shoe business. Who started the rumor is of course a mystery, but because "lies travel by fast express, and truth by slow freight," as some one said, the company did not hesitate to use page advertisements in the business papers reaching the shoe trade to deny the rumors.

In preparing a statement to deny a malicious rumor it is often a temptation to assume the role of a maligned and persecuted martyr to an idea, or to indulge in bitter and caustic attacks on the "perpetrators of this infamous lie." The Roberts, Johnson and Rand copy, however, is just a plain, sincere statement of the company's policy, which carries conviction through its very restraint. It reads:

There are rumors being circulated that we are considering the opening of retail stores, which would place us in direct competition with our customers.

We realize that such a report, though untrue, may have a tendency to disturb some of our good customers who are entitled to know the facts. Our policy has been, and is now, to make as good shoes as we can; sell them at the lowest margin of profit; help our customers to advertise and popularize our shoes, and not to engage in competition with them by starting retail stores.

We believe there is a place for the shoe manufacturer and a place for the shoe retailer, and that the rights of each should be respected. So long as these conditions exist, we cannot see how we can actively solicit the business of the retailer and at the same time compete with him by starting retail stores in which we are financially interested.

Our large volume of business has been built by respecting the rights of the retailer, keeping within our province, rendering as good service as we can, and by making and selling good shoes at the lowest price; and if any rumor or report comes to you that we are starting retail stores, we shall thank you to write us, giving the name of the retail store we are reported to be supporting, or in which we are interested, and we will quickly make it clear to you that such a report is unfounded and untrue.

We solicit your business and will do all we can to serve you well.

Yours truly,

ROBERTS, JOHNSON & RAND (Branch).

Bright Spots in Business

STANDING OF TERRITORIES

ATLANTA	●●●●
BOSTON	●●●●
BUFFALO	●●●●
CHICAGO	●●●●
CINCINNATI	●●●●
COLUMBUS	●●●●
CLEVELAND	●●●●
DETROIT	●●●●



July Sales Level Well Above 1924 With Every Prospect for Liberal Buying in August

In many lines the summer slump has been conspicuous by its absence. Sales have been well maintained and even retailers who complained bitterly in the spring are enjoying a profitable summer. Many sales organizations are laying plans for strenuous fall campaigns. The agricultural outlook is encouraging except in a few small areas. Building shows no signs of abatement in spite of talk to that effect. Mail order sales, car loadings, employment, industrial buying and steel production are all ahead of last year. New York, Chicago, Detroit, Akron, Atlanta, Duluth, Minneapolis, South Bend, Kansas City, Milwaukee and Birmingham among cities where August selling efforts should show good results.

AKRON, OHIO



Heavy orders for tires preclude possibilities of summer slump in employment and tire production in the Akron district, where more than 50 per cent of America's tire production is sent. United Business Service reports Akron as offering excellent possibilities for August selling. Retailers and department stores report sales ahead of last year, and labor is well employed. Output of balloon tires almost ten times as large as last year.

ALTOONA, PENNSYLVANIA

Work on the new Cathedral of the Blessed Sacrament for the Altoona Diocese of the Catholic church, to cost \$1,000,000, has been started. New city hall to cost \$275,000 exclusive of furnishings, is now in progress. Employment said to be practically 100 per cent for skilled artisans and for men in the building trades. Savings deposits for June increased approximately 10 per cent over June, 1924.

ATLANTA, GEORGIA

Prospects for fall business in Georgia are better than at any time in the past five years. Cotton crop estimated at 1,300,000 bales; peach crop brought \$9,000,000; tobacco crop, \$15,000,000. Labor is well employed, and building is active, although not quite equal to 1924. Vigorous sales efforts should be well repaid in Atlanta and Georgia territory this fall.



BALTIMORE, MARYLAND



Building trades are well employed, and both retail and wholesale trade show slight increases over last year, particularly dry goods trade, which shows an increase of 15 to 20 per cent over last year. Recent rains have improved crops, and yields range from good to excellent. Debits to individual accounts as reported by the Federal Reserve Bank for week ending July 8 were \$109,346,000, as compared with \$68,553,000 for corresponding week of 1924.

BINGHAMTON, NEW YORK

Factories are all running on full time, and building operations are active. Labor is well employed, and there is an actual shortage of agricultural and dairying labor. Crops are very good, and retail sales are slightly ahead of last year, with collections reported as fair. Bank clearings show a fair increase over last year.

BIRMINGHAM, ALABAMA

Production in the iron and steel industry is well maintained, and an increase in production is anticipated in the near future. There is very little surplus production on hand, and inquiries and orders indicate a continuation of good business. Reports agree that Birmingham offers good opportunities for August selling, as all conditions which contribute to the prosperity of this district are good.

BOSTON, MASSACHUSETTS



A new Statler hotel in Boston to cost \$12,000,000 has been definitely announced, which will contain 1,300 rooms. Boot and shoe factories are more fully employed at present than at any time since the Easter period. Some factories report overtime work. Activity in the woolen and textile mills is increasing. Mills at Lawrence, Massachusetts, are reported as working practically on full time. Building is from 10 to 12 per cent ahead of last year. Crops in New England are in good condition, it is reported. Department store business is ahead of last year

and retailers generally report improved sales.

BUFFALO, NEW YORK

Automobile manufacturing is ahead of 1924, and conditions in the iron and steel industry are showing a slight improvement. Tire manufacturers are increasing output. Manufacturers of rayon are working at capacity. Dry goods wholesalers report sales ahead of 1924, and crops are in good condition. Debits to individual accounts as reported by the Federal Reserve Bank for the week ending July 8 were approximately \$20,000,000 ahead of the corresponding week in 1924.

CHICAGO, ILLINOIS

Building for the first fifteen days of July totals \$9,837,900, approximately \$400,000 ahead of the same period of 1924. Wholesale dry goods houses report distribution considerably ahead of last July. Retail sales both in downtown and neighborhood districts are reported active, and ahead of last summer. There is virtually no unemployment, and every condition points to prosperous fall business in the Chicago district.



CINCINNATI, OHIO

Automobile dealers report sales particularly good, one company in the high-priced field claiming that sales are about 150 cars ahead of deliveries. Hardware jobbers report trade well ahead of 1924. Building permits for June were nearly \$1,000,000 ahead of June, 1924. Recent rain has helped crops. Debits to individual accounts as reported by Federal Reserve Bank for week ending July 8 were \$75,918,000, as compared with \$64,707,000 for the same week in 1924. Labor is well employed.

CLEVELAND, OHIO

Manufacturers of machine tools report improvement in sales. Iron and steel mills report an active trade in car, rail and structural steel. Operations average better than 60 per cent of capacity. Building is active, and demand for brick, lumber, paint and plumbing supplies is brisk. Manufacturers in the men's and women's apparel trades report fair fill-in business and good volume of business for cloth. Agricultural prospects are improving due to recent rains. Retail sales are slightly ahead of last year. United Business Service includes Cleveland in the

list of best cities for August selling.



COLUMBUS, OHIO

National Cash Register reports Columbus agency as having had best month in history of agency during June. Retail sales are holding up well through the summer, and employment is generally good. Debits to individual accounts as reported by the Federal Reserve Bank for week ending July 8 were \$33,900,000, as compared with \$29,153,000 for the corresponding week of 1924. Several large building and improvement projects are keeping labor well employed.

DENVER, COLORADO

Building continues very active in Denver, and heaviest volume of summer traffic ever known is keeping retail sales well ahead of last year. There is no unemployment in Denver. Crop conditions are fairly favorable, although drought has hindered agriculturing to some extent. Debits to individual accounts as reported by Federal Reserve Bank show an increase of more than \$8,000,000 for the week ending July 8, as compared with the corresponding week of 1924.

DALLAS, TEXAS

Over the north half of Texas cotton is generally in a fair condition. Volume of business is holding up well, and building activity shows no signs of abating. Resources and deposits of Dallas banks, as reported June 30, show gains of \$22,000,000 over the same date of 1924. Due to drought crop conditions in Texas are spotted, and should be studied carefully by all sales managers. Building permits issued during June in Dallas were almost double the amount for June, 1924.



DES MOINES, IOWA

A corn crop one-fourth larger than last year has been forecast by the Department of Agriculture, which places the prospective production at more than 3,000,000 bushels. Street car strike affects retail sales in the city of Des Moines. Building continues fairly active. Oats, barley, rye, and several other important crops are expected to yield more than last year. Business in Iowa this fall should be better than for the past several years.



DETROIT, MICHIGAN

For July 16 employment in Detroit reached a new high record for 1925. A total of 242,163 men is now employed in 79 automobile and accessories plants. This is within 500 men of the high record for all time. Building continues brisk and retail sales are well maintained through the summer. All trades are well employed, and due to vigorous sales drives of a number of manufacturers, employment promises to continue at high levels well through the fall; 83,833 lots were subdivided in Wayne County from January 1 to July 1. It is claimed that 90 per cent of these lots were sold during this period.

FORT WORTH, TEXAS

Building operations in Fort Worth show a gain of approximately 30 per cent for the first six months of 1925. Business in practically all lines is reported good during July, and in nearly every case ahead of the same period last year, in spite of the fact that dry, hot weather had a tendency to slow up trade. Fort Worth's trade territory—west Texas and the Panhandle—was reported in excellent shape. The wheat crop promises to turn out far better than was expected, and cotton prospects are excellent. A large increase in acreage of cotton is reported in the Fort Worth trade territory.



GALVESTON, TEXAS

As the cotton crop starts to move, Galveston becomes one of the busiest cities in the state, and as it is reported by the United Business Service as being one of the best cities for August selling, sales managers should watch this market carefully. Debits to individual accounts as reported by the Federal Reserve Bank for the week ending July 8 were \$7,620,000 as compared with \$5,297,000 for the corresponding week of 1924.

HOUSTON, TEXAS

Contract has been awarded for the erection of a 16 story medical arts building to cost approximately \$2,000,000. Value of exports handled through the port of Houston for the fiscal year ending June 30 increased \$268,258,971, or 147 per cent over the preceding year, according to the report of the collector of customs. The new city directory just published credits Houston with a population of 252,976. Crops along the Gulf Coast, which forms a part of the Houston trade territory, are in a better condition than generally prevails throughout the state. Fall business in Houston should be good.



INDIANAPOLIS, INDIANA

Several automobile factories report many unfilled orders on hand. Nordyke and Marmon sales for June are more than double the sale for June, 1924. There is no unemployment of consequence in Indianapolis, and building permits during July were more numerous than in July, 1924. Reports for

retail business have taken an optimistic turn in the past few weeks, and sales are reported unusually good for midsummer. Crops are well up to the average, and both corn and oats are expected to bring a good yield. Jobbers report that July showed a nice increase in sales.

KANSAS CITY, MISSOURI



A \$2,000,000 airplane plant is announced for early construction by the Kansas City Syndicate and Anthony Fokker, inventor of the Fokker airplane. Building permits in June were more than four times the value of permits issued in 1924. Wheat crop is expected to be short, but is more than offset by the higher prices. Corn prospects are good. Livestock prices are higher, and bank deposits show an increase of 14 per cent. Demand for labor said to be in excess of supply. This statement is verified by a big increase in the number of "help wanted"

ads being printed in daily papers. Hardware trade is reported about 12 per cent above last year. The implement dealers report sales approximately double those of 1924.

LOS ANGELES, CALIFORNIA

Industrial conditions are improving and activity is increasing. Considerable volume of public improvement work is helping the employment situation. In spite of pessimistic reports from certain retailers, volume of business continues ahead of the last year, as evidenced by the report of debits to individual accounts from the Federal Reserve Bank for the week ending July 8. The total amounted to \$175,695,000, as compared with \$134,763,000 for the corresponding week in 1924. The crops in southern California are expected to exceed those of a year ago.

LOUISVILLE, KENTUCKY

The wheat crop of Kentucky shows an increase of approximately 54 per cent, due partly to better condition at harvest, and to a 30 per cent increase in acreage. Corn estimates indicate an increase of 20,309,000 bushels. The tobacco crop will be slightly less than that of 1924. 1925 has been the greatest building year in the history of Louisville. For the first six months of this year there was a gain of 48.5 per cent over 1924. Every indication points to an active trade in Louisville this fall.



MEMPHIS, TENNESSEE

Merchants are prepared for one of the earliest movements of cotton ever experienced in the Memphis market. In the Memphis trade district much of the cotton crop is already safe from damage, and it is expected that there will be an increase of 25 to 50 per cent over the production of last year. Labor is well employed, there being practically no unemployment in the city. While building in Memphis is not as active as last year, there is a vast amount of suburban development just outside the city limits, which contributes to Memphis activities. Wholesalers report business fair, with a good demand for fall merchandise. Retailers and department stores report business well up to the average for midsummer, and are said to be buying liberally for fall.

MILWAUKEE, WISCONSIN



There is no summer slump evident, and it is reported that 10,000 more workers are employed here than at the same time last year. Automobile and allied industries, farm implements and hosiery lead the manufacturing field at present. Orders received by the Filer & Stowell Company and the Inland Steel Company recently aggregate \$1,500,000, and inquiries at the Allis Chalmers Company, which may lead to more than \$1,000,000 in orders, promise steady work in the metal trades for the third quarter of 1925. A new million dollar addition

to the Lakeside Power Plant has been announced by the Milwaukee Electric Railway and Light Company. Shoe, electric and auto plants have shown rapid increases, and have added many workers. Dairy farmers are getting high prices and prospects are bright.

MINNEAPOLIS, MINNESOTA

Business has maintained an even flow through the summer. Building is active and labor is well employed. The wholesale trade is fair; the retail trade is said to be well ahead of last year. Crop conditions generally are good, rain and warm weather having helped corn and small grains. Prospects for large yields are promising. Debits to individual accounts as reported by the Federal Reserve Bank for week ending July 8 were \$82,102,000, as compared with \$66,796,000 for the corresponding week of 1924. Sales effort in August in this market should bring good results.

MONTREAL, CANADA

It is expected that fully one million tourists will visit Montreal this summer, as a large number of big conventions are scheduled. Wholesale trade shows steady improvement, and with the exception of grain, exports are showing improvement. Retail sales are good.

NASHVILLE, TENNESSEE

In spite of pessimistic reports from wholesalers and jobbers, who claim that buying is conservative, that retail trade is only fair, and that there is little demand for manufactured products, check transactions show a healthy increase from week to week. Crop development has been retarded by dry and unseasonably hot weather.

NEW ORLEANS, LOUISIANA

Activity in the building trade continues brisk. Lumber mills, including pine, cypress and hardwood interests report improvement in demand. Recent rains have helped crops. Cotton, rice and sugar cane are all making good progress, and are in favorable condition. Business is expected to show a marked improvement in August, and New Orleans is listed among the best cities for August selling by the United Business Service.



NEW YORK, NEW YORK

Department stores report that business so far this summer has been better than at any time in their history. Earnings have been unusually good. Macy and Gimbel Brothers department stores are reporting comfortable increases in sales volume. Industry is maintaining a fairly high rate of activity. Employment in railroad, transportation and shipping lines is increasing, and there has been a notable increase in building and construction activities in many cities in the state.

OKLAHOMA CITY, OKLAHOMA



Rainfall in several sections has helped crops and improved business. General business conditions show a steady improvement over last year, as is evidenced by check transactions. Debits to individual accounts, as reported by the Federal Reserve Bank for the week ending July 8 is \$21,500,000, an increase of more than \$5,000,000 over the corresponding week of last year, and an increase of nearly \$2,000,000 over the previous week of 1925.

OMAHA, NEBRASKA

Two new million dollar moving picture theaters were announced in July for early construction in Omaha. The construction of one of these theaters promises to extend the retail district westward, and new stores are being planned. Building continues active, although there is some unemployment. Wholesale trade is reported as fair, but retail trade suffered in July due to extreme hot weather. Corn harvest is expected to be at least two weeks ahead of last year.

PHILADELPHIA, PENNSYLVANIA



Philadelphia's two important industries—textiles and shipbuilding—show marked improvement. Reports from thirty-five different lines show business generally good, twenty-four declaring volume fair, seven good, and four poor. Retail sales are ahead of last year. Philadelphia is today one of the most prosperous markets in the United States, and factory employment decreased in June less than 1 per cent. Savings deposits as of July 1 showed an increase of \$20,000,000 over the same date a year ago.

PITTSBURGH, PENNSYLVANIA

Westinghouse Electric has started construction of a \$500,000 brass foundry at Linhart, one mile from the East Pittsburgh works. On July 20 Carnegie Steel Company reported a continued increase in buying in all lines of steel material. Retail and department store trade is about equal to 1924. Steel activities are maintained on a 60 to 70 per cent basis.

PORTLAND, OREGON

Summer business in Portland has been good because of the large number of conventions and many tourists having increased business in downtown stores. However, wholesalers report that trade is only fair. Building is active, and labor is well employed. There has been considerable improvement in July in the lumber market and prices are strong. This condition encourages increased operations.

PROVIDENCE, RHODE ISLAND

Activity in the silk mills is increasing, this division of the textile industry being the most active of the entire group. Production in cotton mills is slightly off, while the manufacture of woolen continues at a fair rate. Jewelry manufacturers claim that business is slow. Retailers say that business this summer compares favorably with last summer, showing a slight increase. Wholesale trade is reported as fair. Building activity continues brisk. Debits to individual accounts as reported by the Federal Reserve Bank for the week ending July 8, were \$35,753,000, as compared with \$27,671,000 for the corresponding week of 1924.



ROCHESTER, NEW YORK

Men's clothing, electrical machinery and supplies, foundry and machine shop products, and photographic material manufacturers all report considerable activity and good business. Labor is well employed, and building is active. Retail sales are said to be holding up well for the summer. According to a report of the United States Bureau of Census, Rochester's output of manufactured products show a gain of 15.9 per cent. Debits to individual accounts for the week ending July 8 show an increase of \$10,560,000 over the corresponding week of 1924.

ST. LOUIS, MISSOURI

Retail stores report good response to offerings of summer merchandise, and stocks are said to be moving satisfactorily. St. Louis wholesale dry goods houses claim that business shows a fair increase over last year, and that stocks in the hands of retailers are low. Favorable crop conditions in the southern states point to an active fall trade in St. Louis. Building activity continues brisk, and steel plant and automobile manufacturers are working at capacity. The automobile plants are particularly busy. Labor in the shoe trade is well employed,



and shoe manufacturers report satisfactory sales. Hardware jobbers report satisfactory sales in practically all lines. Automobile dealers report sales of new cars and accessories as fairly good and ahead of last year in most cases.

SAN ANTONIO, TEXAS

Crop conditions around San Antonio are spotted, and in some counties in the San Antonio trade district are a complete failure. Building continues active, but is largely confined to residences. There are perhaps as many diversified sources of income in the San Antonio territory as in any part of Texas, and failure of the major crops will not influence sales as much as might be expected, it is claimed. In spite of certain amount of pessimism, debits to individual accounts continued to show an increase over last year, which tends to prove that expected crop failures have not cut down the normal volume of business.



SEATTLE, WASHINGTON

General business conditions are considerably improved in Washington. Indications point to better conditions, particularly in the lumber industry. Contracts exceeding \$6,000,000 have been awarded for the completion of a new state legislative hall at Olympia. Work will begin soon on an eleven story concrete apartment building to cost \$500,000.

ST. PAUL, MINNESOTA

Jobbers' sales show an improvement, and retailers and department stores report summer business well up to normal. Crops in the St. Paul territory are in a splendid condition, there having been plenty of rain in June and July. There is no unemployment. Building, manufacturing, railroad expansion and harvesting activities have absorbed the slight surplus of labor which existed earlier in the year. Building conditions are above normal and show fair increases over last year.

SALT LAKE CITY, UTAH

More rain than usual in both May and June has helped both dry and irrigation farmers. Labor is well employed, with the exception of a slight surplus of railroad men. Building permits so far in 1925 are almost double the same period of 1924 in residence building. Tourist travel is increasing substantially, and the high prices of metals stimulate mining activities, which are being rapidly developed. The increasing importance of Salt Lake City as an industrial center should make this territory more productive in the future.

SAN FRANCISCO, CALIFORNIA

Crops in California will be far ahead of last year. Building permits are 11.3 per cent ahead of 1924, and at present the following large projects are planned or under way: \$3,000,000 Hucks Hotel; \$3,000,000 office and theater building; \$2,500,000 Smith Hotel; \$1,000,000 Army and Navy building; \$1,000,000 Marine Corps building, and a \$4,000,000 theater and office building. Wholesalers and jobbers report business ahead of the summer of 1924, and tourist traffic is largest on record, it is reported. Sales efforts in San Francisco this fall should be well repaid.



SPOKANE, WASHINGTON

Wholesale and retail dealers in Spokane report sales in nearly every line are ahead of last year. Building permits are greater in 1925 than in any year since 1910. National advertising line-age in two papers are 144,000 lines ahead of last year. Department of Agriculture estimates wheat crop will be approximately \$37,000,000 greater than in 1924. Lumber shipments are ahead of last year and mining is very active.

TOLEDO, OHIO

Sales of automobiles in Toledo and surrounding territory are very much better than at this time last year. Retail sales in all lines are good, and the recent high mark in employment is being well maintained. Evidence of business activity is found in a report from the Federal Reserve Bank for the week ending July 8, which shows an increase of approximately \$13,000,000 over the corresponding week of 1924.



TRENTON, NEW JERSEY

Labor is well employed and industrial activity continues brisk. Retail sales are being well maintained and there is practically no unemployment. Debits to individual accounts as reported by the Federal Reserve Bank for the week of July 8 were \$19,175,000 as compared with \$13,824,000 for the corresponding week in 1924.

TORONTO, CANADA

Wholesale dry goods merchants report a gain over last year. Hardware and building supplies are enjoying brisk sales and rubber, tire and cannery plants are busy. Building is active, and although there is some slight unemployment in certain industries, there is practically no surplus of labor.

YOUNGSTOWN, OHIO

Recently the Youngstown Sheet and Tube Company appropriated \$2,000,000 for the construction of another seamless tube mill at the East Youngstown works. Steel mills in the Youngstown district are increasing activities, and are said to be operating on a basis of approximately 80 per cent capacity. Some of the independent steel mills are running about 63 to 65 per cent capacity. Debits to individual accounts for week ending July 8 were \$15,811,000 as compared with \$13,822,000 for the corresponding week of 1924.





What America's Mining Industry Buys

11,400 Mines and Quarries Spend a Billion Dollars a Year for Supplies and Equipment

THE importance of the mining field as a market for all manner of products is shown in the fact that more than 2,500,000 people are housed in homes and towns owned and operated by the coal mining companies alone. Practically all of the food, clothing, household supplies and equipment used by these people is purchased through the mining companies; in many mining towns and villages the company store is the only store serving the entire community, and stocks from \$50,000 to \$200,000 in mining company stores are not uncommon.

These stores are operated by the mining companies, but are usually under the direct management of the store buyer, and are outside the control of the mining company's purchasing department.

In recent years most of the company stores have undergone a great improvement. Instead of the old-time company store which handled bulk, unbranded merchandise, which was bought on a low price basis and sold for the highest possible prices, these stores now handle the most up-to-date merchandise, and are managed on a business-like basis, and sell for fair prices.

It has been estimated that there is a monthly business of \$25,000,000 transacted in the mining

company stores of the country, or a total of \$300,000,000 annually. Many companies operate a string of stores, one for each mining operation. The recent tendency for consolidation in mining operations has increased the individual buying power of many mining company stores and instead of operating one or two stores, some of the larger companies operate six to a dozen.

\$400,000,000 for Equipment

In Pennsylvania, West Virginia, Illinois and Kentucky alone, there are fully 500 companies who operate several stores each, and whose merchandise inventory will run as high as \$500,000.

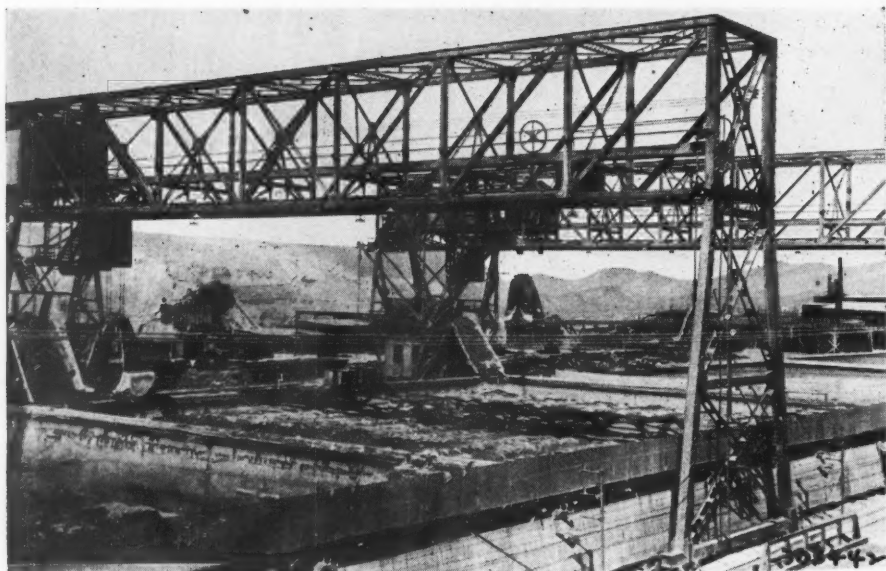
As large as it is, however, the merchandise market is by no means the most important part of the coal industry, although of course a greater number of sales managers are interested in this phase of the market. When it is remembered that the average cost of a bituminous coal mine of million-ton capacity is \$2,500,000, that an anthracite mine of similar capacity represents an investment of \$8,000,000, it will be seen that the market is an enormous one.

There are approximately 6,300 mechanically operated coal mines in this country, and it is claimed that \$400,000,000 is spent annually

on equipment. This is varied; for example, here are some of the requirements of a modern coal mine: the top works in addition to the tippie or breaker (which houses the machinery for crushing, screening, washing and picking the coal) includes power house, machine shop, sub-stations, warehouses, stables, and powder houses.

Electric power is an increasingly important factor in coal mine operation. The generation, distribution and application of electric power to coal mining involves thousands of steam turbines, 15,000 steam engines, 15,000 generators, motor-generator sets, rotary converters and transformers, and 118,000 motors totaling 4,515,000 horse power. In addition to this, the coal mines buy about one million electrical horse power annually from central stations.

Down in the mines there are more than 20,000 electric mining machines now in use. Other machinery includes thousands of air compressors, air and electric drills, conveyors, etc. There are more than 12,000 hoists in use in the coal mining industry. Many of these require motors up to 2,000 horse power. Steam hoists are also widely used. Each year the coal mines buy approximately 15,000,000 feet of wire rope and 4,000,000 feet of manila rope for hoisting,



Modern mining operation requires a vast amount of equipment and machinery

haulage and rope transmissions.

About 20,000 pumps operate continuously keeping the mines dry. In addition to these the industry uses pumps for coal washing, boiler feeding, water supply, fire protection, etc.

It is estimated that the coal mines operate 200,000 miles of track, using more than 20,000 locomotives, electric, steam and gasoline. There are about 50,000 miles of trackage which is electrified—equaling the combined length of the street and interurban railway mileage in the country. More than 750,000 cars are used.

In addition to all this mechanical equipment, there must always be a well equipped machine and blacksmith shop. Supplies in these shops are varied and plentiful, for the mines are often a long distance from sources of supplies and shut-downs are too expensive to risk for the want of ample supplies for repairs. Often there are from 200 to 500 items carried in stock in the repair and supply shops, some of the inventories running as high as \$50,000.

The superintendent of the smaller mines is usually the man who does the buying. But in the larger mines there is often a general manager who must be consulted. The tendency for the past few years having been towards consolidation, there are often many small mines operated under one management. These larger organizations, of course, usually employ purchasing agents who are responsible for

purchasing for a group of mines. But the presence of a purchasing agent does not mean that the salesman's work is simplified, for the purchasing agent is guided by the wishes of the mine superintendent, or general manager.

In the sale of the larger items of equipment, there is, of course, the engineering problem which takes the transaction out of the class of ordinary salesmanship and requires a vast amount of preliminary study and investigation before the sale is finally completed. But there are hundreds of items in constant use by the mines which involve no complicated engineering problems and which can be sold by regular salesmen who call on other classes of trade.

In the operation of towns and villages, the mining companies become prospects for almost everything which would be sold to prospects in many varied lines and fields. For example, many mining companies maintain schools, playgrounds, hotels, recreational facilities, laundries and hospitals. In selling products for these activities it is necessary for the salesman to call first on the men in charge of the various departments or activities, for it is with these men that the demand originates, and only through them that the order is finally put through to completion, although the final placing of the order may rest with the purchasing agent. Machinery for cutting costs is one of the most important considerations in the operation of

coal mines. It is claimed that many mines cannot be operated on a profitable basis without large investments in cost cutting machinery. In order to compete with the mines that are equipped with modern machinery, many mines must be modernized in the very near future, and this is creating a big market for machinery and equipment and opens an opportunity for sales of machinery and devices which will increase output or reduce costs.

Outside the coal mining field there is also a big market among other types of mines. Among the principal metals produced in this country are copper, lead and zinc, gold and silver, and aluminum. There are approximately 1,630 mines of all kinds, employing something like 80,000 wage earners. This figure, of course, varies widely according to the condition of the various metal markets and the demand for the products of the mines.

Activities Auxiliary to Mining

In an analysis of this market the various operations connected with metal mining must be included as a part of the market. Not only do the mining companies operate mines, but smelters, power plants, mills, shops and complete towns are a part of the activities of many mining companies.

For example, the American Bauxite Company's operations at Bauxite, Arkansas, are more or less typical of the varied activities of a large mining company. An article in the DuPont Magazine says, "The three thousand inhabitants of this town (Bauxite) are dependent on the company for their living, and two thousand citizens of the county are partially dependent upon it. The company pays all the real estate taxes of the town, keeps up the roads, maintains a hospital—one of the best in the state—to treat any resident of the county, does mosquito control work to banish malaria, and maintains all the public utilities of Bauxite. In addition to company buildings, more than 600 cottages and bungalows are rented to employees for from \$3 to \$15 a month. The schools are well equipped at company expense, and the company supplies the greater portion

(Continued on page 123)



Will Your Catalog Stand Up Through Two Years of Rough Treatment?

ACTUAL facts have demonstrated time and again that ordinary covers cannot be compared to Molloy Made Covers for endurance under rough treatment.

Consider the Ostrander Seymour Company catalog shown here. It was produced two years ago, by the Gage Printing Company of Battle Creek. Since that time notes and data have accumulated between the leaves of the sales manager's copy until it bulks to almost twice the normal thickness which strains the binding.

Furthermore this book has been thrown—not laid—on the desk top several times each day for two years, as telephone inquiries were answered by the manager. Yet no leaf has come loose, nor has the cover torn at any place. It is still intact!

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What Sort of Postage Brings the Biggest Returns?

United States Chamber of Commerce Uses 60,000 Letters to Test Pulling Power of Five Different Types of Postage

AN interesting test of the relative pulling power of direct mail when enclosed in envelopes bearing different types of postage has been completed by the United States Chamber of Commerce.

In order to determine whether two-cent metered mail, two-cent government stamped envelopes, one-cent metered mail, one-cent adhesive stamps, or one-cent government stamped envelopes would bring varying returns, officials of the organization made an exhaustive test on a list of 60,000 names which had been furnished by subscribers.

The names were then placed on cards which were very thoroughly shuffled so that there could be no semblance of order of any kind, either alphabetically or territorially.

All the names had been circularized several times before, so that the cream had been entirely skimmed off. The cards were separated in five groups of 12,000 each.

The mailing consisted of a number ten envelope, containing a multigraphed and filled letter, two-color illustrated circular, two-color blotter, and a one-cent government post card. Each piece had been thoroughly tested and found to be productive of profitable results in proportion to the cost.

Each set of 12,000 cards was given a distinguishing key or symbol. This "key" corresponded with the kind of postage used, and was the only variable factor in the entire test. All other features of the mailing, such as methods of

folding and enclosing, typewritten name fill-in, signature, and selling material were identical throughout the 60,000 units.

There were 11,704 two-cent metered envelopes, sealed, key 93 A; 12,000 two-cent government

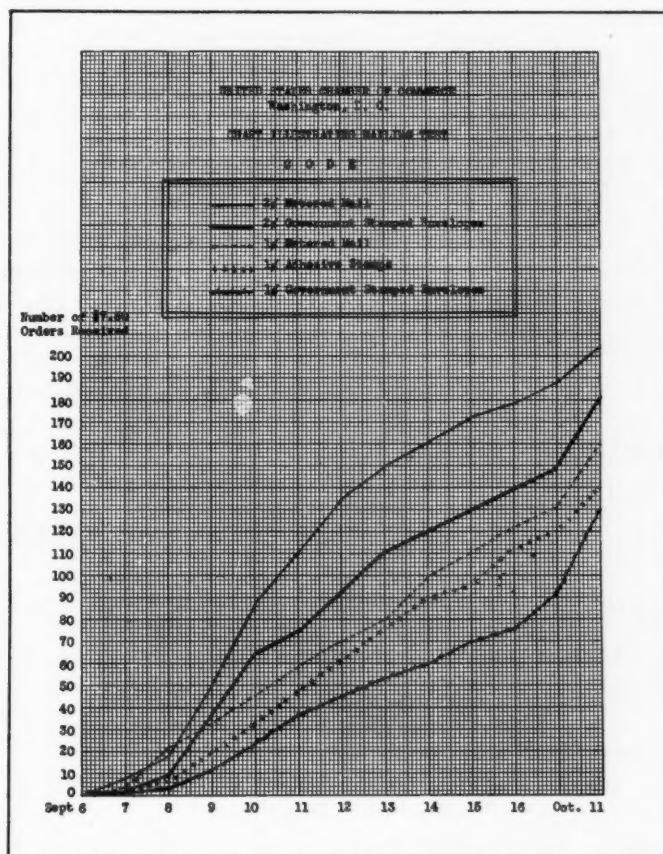
Returns from the metered mail, both first class and third class, came in more quickly, indicating that the metered mail was handled more rapidly in the post office.

The mailing under the key 93 A, which was the two-cent metered mail, brought the greatest number of returns—204, by October 11, which was the date set for closing the test on all five classes of postage used in the test.

The next most productive mailing was the two-cent government stamped envelopes which brought 182 orders. Next came the one-cent metered envelopes which brought 160 orders; next the one-cent adhesive stamped envelopes which resulted in 140 orders. The one-cent government stamped envelopes brought the smallest returns, 130 orders.

One weakness of this test lies in the fact that no test was made of two-cent adhesive stamps, as it will be noted that there was considerable difference in the returns from the one-cent affixed stamps, the one-cent government stamped envelopes and the one-cent metered envelopes.

This test proves that two-cent mail is the best puller. The orders received were for \$7.50. Total receipts from the 11,704 letters mailed under the metered envelopes were \$1,552.40, as against total receipts of \$975 from the 11,800 letters mailed in a government stamped one-cent envelope. After deducting the extra cost of the two-cent postage, there remained \$561 more from the two-cent metered mail than from the one-cent government stamped envelopes.



In the above chart the top line indicates that the highest return from the test mailing sent out by the United States Chamber of Commerce, came from the 2 cent metered mail. Next in order were government stamped 2 cent envelopes, 1 cent metered mail, 1 cent adhesive stamps, and 1 cent government stamped envelopes.

stamped envelopes, sealed, key 93 B; 12,455 one-cent metered envelopes, sealed pennysavers, key 93 C; 11,912 one-cent adhesive stamped envelopes, sealed pennysavers, key 93 D; and 11,800 one-cent government stamped envelopes, unsealed, key 93 E.

So that every unit of the mailing would have an equal chance, the five sets of envelopes were all ready September 6 and were sent to the post office on that date.

Joseph Ewing to Direct Simmons Sales

Joseph Ewing has been appointed vice president in charge of sales of the Simmons Company, makers of beds and bedding. His appointment took effect July 13. He will maintain offices in both New York and Chicago.

Mr. Ewing has had a wide experience in sales work of all kinds. He was formerly with Fuller & Smith, Cleveland advertising agency, in an executive capacity; later he acted as merchandising counsel for the Haskalite Manufacturing Company and the Martin-Barry Corporation. As general sales manager of the Phillips-Jones Corporation, he was responsible for the sales program in the marketing of Van Heusen collars. Recently he has been in business for himself as merchandising counsel for a number of well known organizations.

Mr. Ewing is the author of a number of articles on various sales problems, and has been a contributor to Sales Management Magazine.

Motor Registrations Gain 13.7 Per cent Over 1924

Motor vehicle registrations in the United States totaled 17,548,377 on July 1, which represents a gain of 13.7 per cent over July 1, 1924, according to a survey recently completed by Automotive Industries.

Indications are that by December 31 registrations will run up to 19,000,000. New York holds first place in registrations; California is second, and Ohio third. The real estate boom in Florida was responsible for a record breaking increase in automobile sales in that state, the total number being 51.2 per cent greater than on July 1 last year.

The survey shows that there are 6.47 persons per motor vehicle in the country today.

A new high mark in sales was set by the General Motors Corporation during the month of June. Sales of cars to consumers for the month totaled 75,781 against 65,224 for June of last year. Sales by divisions to dealers ran 70,974 compared with 32,984.

May Construction Sets New Record

THE largest amount of construction work ever handled within one month in the United States, is the building record for May, 1925, according to figures recently compiled. This represents an increase of 18 per cent over May, 1924.

"This is certainly something to be proud of and better yet to know that the building industry, despite all this prosperity, is keeping its head," says *Building Age and National Builder*.

"There has been no real rise in building costs, either materials or labor—no cornering materials, and no snowballing by labor, and we no longer see the bonus advertised as a bait to attract mechanics. The building industry as a whole seems settled on a solid, dignified basis . . . Unless some unforetold disaster happens, 1925 volume of building construction bids fair to beat that of the banner year 1924."

Campaign Will Promote Coffee Sales

An extensive two-year campaign designed to increase the consumption of coffee in the United States, will open in October, according to an announcement made by Felix Coste, representative of the National Coffee Roasters' Association and member of the United States Coffee Mission. The campaign will involve the largest expenditure ever made for advertising in the interests of the coffee industry.

Negotiations to obtain mutual and agreeable marketing relations in the coffee trade have been completed between the United States and Brazil, the mission reports. The arrangements will guarantee a satisfactory profit to planters and at the same time keep prices low enough to encourage the use of the beverage in the United States.

Cadillac Distributors Hold Annual Meeting

Cadillac distributors, representing practically the entire organization, met July 13-18 at the factory in Detroit for their annual discussion and review of the market outlook. It was the first meeting of its kind to be addressed by Lawrence P. Fisher, the new president.

SALES MANAGEMENT—JULY 25, 1925

Paint Company Hit By Trade Commission

The Baltimore Paint & Color Works, Inc., a paint manufacturer of Baltimore, Maryland, is ordered by the Federal Trade Commission to discontinue certain practices in connection with the marketing of its product that have been found to be unfair methods of competition.

The respondent stipulated with the commission to an agreed statement of facts without the introduction of testimony or the presentation of argument in support of or in opposition to the case.

The commission found that the respondent marketed paint products under the following designations: "Cantonment Paint," "Army Building Paint," and "Regulation Building Paint." The Cantonment Paint's label also contained a shield or coat of arms similar in appearance to the seal of the United States government. Such methods of labeling its products, the findings state, created the erroneous impression that the paint so labeled was war surplus material and manufactured in accordance with government specifications.

Six Months' Car Loadings Break Record

The highest six months' car loadings in history are recorded by the American Railway Association for January through June, 1925. The total was 25,162,080 cars, which exceeds by 306,496 the previous high water mark made in 1923, and by 1,219,024 the number loaded last year.

Penney to Open 100 New Stores This Year

Totals for gross business for the current year for the J. C. Penney chain stores will reach \$90,000,000 against \$74,000,000 in 1924. A new expansion program calling for the opening of 100 stores before the close of the current year will bring the number of locations up to 679. Eight new stores were opened during the first six months of this year. Sites have already been chosen for seventy-eight of the new stores.

TWICE AS EFFECTIVE— MORE ECONOMICAL—

for

Maxwell House COFFEE



Nashville, Tenn. 25th of February,
1925.

Kansas City Star,
Kansas City, Mo.

Gentlemen:

We believe, that you will be pleased to learn of the progress we are making in the distribution of MAXWELL HOUSE Coffee in Kansas City.

Our sales work only started there about two weeks ago, and our nine salesmen, cooperating with our jobber's salesmen, have already placed our product in over half the retail grocery stores in the city proper.

The only local advertising that we have had to support this sales work has been in your columns exclusively, and we feel sure that your plan of getting out two-issues-a-day delivered directly to the home has made our campaign of publicity just twice as effective and more economical than a one-issue-a-day publication would be.

We understand from our Advertising Agents, The J. Walter Thompson Company, that you make a 100% coverage in greater Kansas City, and we are ready to admit that this must be so.

Appreciating your medium as a great merchandiser, we are, with best wishes

Yours very truly,

CHEEK-NEAL COFFEE COMPANY.

By

R. Cheek
Vice President.

RSC:W

facts—

—about the—

Maxwell House Coffee Campaign in Kansas City:

*The Kansas City Star—
morning, evening and Sunday
—the only publication used.*

*Less dealer resistance and
quicker consumer response
than in any other market.*

*Sold one carload of Coffee
in three weeks, a record for
the Cheek-Neal Company!*

*Secured 55% dealer distribution
in two weeks!*

*Ninety per cent distribution
with desirable grocers in
four weeks!*

The story of the Maxwell House Coffee Campaign in The Kansas City Star is a dramatic high light in modern merchandising—larger consumer demand, quicker dealer response, more resales than from any other newspaper or any other market ever entered by the Cheek-Neal Coffee Company—a concern with nationwide experience in advertising and selling.

MAXWELL HOUSE COFFEE has been advertised in many cities. Mr. Cheek has had the opportunity to study many markets and many different types of newspapers.

He casts his vote for The Star. He calls attention to The Star's 100% coverage. He recognizes the economy of using only ONE medium instead of two or three, as is necessary in other cities. He praises The Star's plan of printing two issues a day. He says it pays to tell the SAME people TWICE in 24 hours about the merits of Maxwell House Coffee.

"Just twice as effective and more economical than the one-issue-a-day publication," are his words. Better returns than in Chicago, because ALL the daily newspapers in Chicago do not cover that city as thoroughly as The Star (morning and evening) covers Kansas City.

Better returns than in New York, because ALL the daily newspapers and "tabloids" in New York do not cover that city as thoroughly as The Star (morning and evening) covers Kansas City.

Better, quicker, bigger returns than from any other newspaper anywhere because nowhere else is it possible for an advertiser to claim such a unanimity of reader interest as is available in The Kansas City Star.

More Star subscribers in Kansas City and 40-mile radius than there are families.

Sales Managers! Ask About This!

The Kansas City Star's morning, evening, Sunday and Weekly editions circulate in seven states—Missouri, Kansas, Iowa, Nebraska, Oklahoma, Arkansas and Colorado. The names of the retailers in these seven states have been compiled by The Kansas City Star and are now available in book form. They are classified in these groups: Grocery Stores, General Stores, Drug Stores, Automobiles and Garages, Hardware Stores, Furniture Stores, Confectionery and Cigar Stores, Men's Clothing Stores, Dry Goods and Women's Clothing Stores, Electrical Stores and Music Stores.

A merchandising plan whereby these names may be used in conjunction with Star advertising to establish or extend dealer distribution will be explained to any sales executive who communicates with the home office or New York office of The Kansas City Star.

*The combined morning and evening circulation of the Star—500,000
copies daily—is more than double that of any newspaper
in any city west of Chicago.*

THE KANSAS CITY STAR

New York—15 E. 40th St.

KANSAS CITY, MO.

Chicago—1418 Century Bldg.

Saunders "Drive-It-Yourself" Plan Cuts Sales Cost in Central States

1. Multiplies man-power. No added payroll or car investment
2. Covers cities and trade areas quicker, oftener, more thoroughly
3. Combines cheap rail fare with vigor of motorized selling

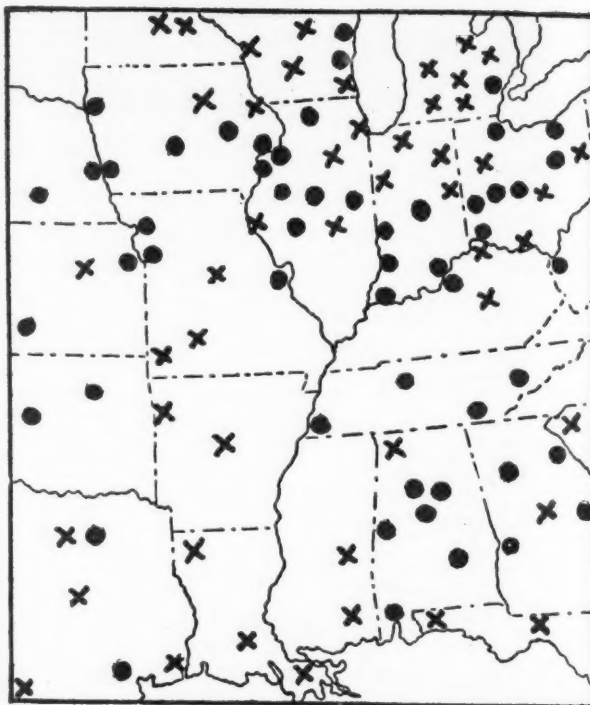
ADMITTEDLY, expenses of personal sales cars are higher than traveling by rail. If results are not proportionately higher, the fault may be yours. There is a happy medium in motorized selling!

At almost every important distributing point in the Central States are Saunders System sales cars for your salesman's use when a car will be an "asset." Arriving by rail, he may go directly to the Saunders System station—lose no time at hotels—get a clean, new car, and drive off bright and early. He can do the work of two to four men not having this convenience, and adds nothing to your salary expense or capital investment in company-owned cars. He drives up to a store, stops quickly, jumps out, enters briskly, and without hinting hurry, creates an impression of business. Before many trips, buyers are ready with orders when your salesman appears. More time and opportunity is then left for real additional selling. Industrial Salesmen, in a single day, can cover many isolated plants otherwise unprofitable to develop to the buying stage.

Saunders Drive-It-Yourself System rents both gear-shift and Ford Coupes, Sedans and Touring Cars on a mileage basis. Your man can arrange to have a car from Monday A. M. to Saturday 6 P. M. and if he drives only one mile, he pays for only one mile. No hour charge or mileage guarantee. Standard insurance protects you against liability, property damage, fire, theft and collision above \$15 damage.

Supplemented by cheaper rail rates, this service nets you the lowest possible traveling expense and preserves the real advantages of motorized selling.

May we send you—FREE—Traveler's Identification Cards accredited at all Saunders System stations without cash deposit? Ask for our manual "Motor Car Advantages Unscrambled."



World's Best Markets in 50 Mile Driving Radii

From Milwaukee to Mobile—Cleveland to Denver—every dominating sales center (except two) is now served by Saunders System. Eastern states and smaller towns in the Central West as shown on the map are also being developed.

Arriving at metropolitan centers, your traveling salesman can work the city trade or industries quickly and thoroughly in a rented car. In a half to three day trip, he can also make all suburban and rural towns within the natural trading zone of each city, driving a 25 to 50 mile radius on planned routes over the best roads. Then he discards the car for rail, arrives with fresh sales vigor at the next trade center and thus covers his territory more thoroughly than by rail alone, more quickly and cheaply than by "driving through."

SAUNDERS DRIVE-IT-YOURSELF CO., Inc.

Executive Offices: 217 Saunders Bldg., KANSAS CITY, MO.

Eastern Dist.
Baltimore (2)
Richmond, Va.
Washington, D.C. (3)

Alabama
Birmingham (4)
Bessemer
Mobile
Montgomery (2)
Tuscaloosa (2)

Colorado
Colorado Springs
Denver (2)
Pueblo

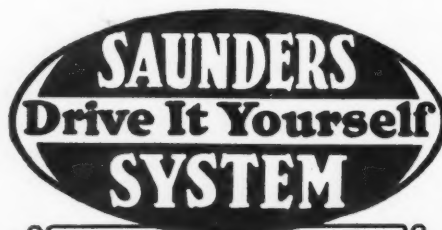
Georgia
Atlanta (2)
Athens
Augusta
Columbus

Illinois
Galesburg
Moline
Peoria (2)
Rockford
Rock Island
Springfield
Decatur

Indiana
Evansville
Indianapolis (2)
New Albany
Terre Haute
Vincennes

Iowa
Cedar Rapids
Council Bluffs
Davenport
Des Moines
Sioux City

"TEN YEARS
OF PRACTICAL OPERATION"



Wherever You Go! ©

Kentucky
Louisville (3)
Kansas & Missouri
Kansas City (3)
St. Joseph
St. Louis
Topeka
Wichita

Michigan
Detroit
Nebraska
Lincoln
Omaha (3)

Ohio
Akron
Cincinnati (3)
Cleveland (2)
Columbus (3)

Dayton
Norwood
Springfield
Toledo

Oklahoma
Oklahoma City
Tulsa

Tennessee
Chattanooga (2)
Knoxville
Memphis
Nashville (2)

Texas
Dallas
Houston

Wisconsin
Milwaukee (3)

Supreme Court Kills Massachusetts Excise Tax Law

Tax on Sales of Alpha Portland Cement Company in Massachusetts Is Declared Unconstitutional by United States Supreme Court

THE Supreme Court of the United States handed down a decision recently in the case of Alpha Portland Cement Company vs. Commonwealth of Massachusetts that is of considerable importance to sales executives engaged in interstate commerce. Since on the surface the case appears to be merely a dispute over the payment of some \$1,300 in taxes, little publicity has been given to it, but no decision in recent years has been more eagerly awaited by attorneys for corporations doing an interstate business on the one hand, and by the tax departments of the various states on the other.

What was really involved in the case was not merely the right of the Commonwealth of Massachusetts to collect a tax of \$800.45 for 1921, and \$567.57 for 1922, but the constitutionality of the statute by which these taxes were assessed against a foreign corporation that was admittedly doing a purely interstate business so far as Massachusetts was concerned. If the state law had been upheld, instead of being declared unconstitutional, there is little doubt that other states would rapidly fall in line with statutes based upon a like theory, with results that scarcely need elaboration.

Constitutionality Is Involved

Most sales executives are only too familiar with the efforts that have been made by divers and sundry state and local authorities to collect taxes on interstate commerce. State legislatures have been prolific with statutes, and during the past ten years the courts have had a steady grist of cases involving the constitutionality of various provisions for taxing the business transacted by foreign corporations within the state, or decisions as to whether or not a given transaction involved interstate or intrastate commerce.

Congress, of course, having exclusive jurisdiction over the one, and the states having equally exclusive jurisdiction over the other.

A great many concerns, for example, have received form letters sent out by a special assistant attorney general of the state of Alabama, calling attention to a decision of the Alabama Supreme Court to the effect that the reselling of merchandise by a foreign corporation from the stocks of local jobbers constitutes "doing business" within the meaning of the foreign corporation laws of the state.

"It has been suggested," the letter continues, "that your corporation does business in Alabama through specialty salesmen, and so has inadvertently incurred the penalties of Section 7211 of the Code of Alabama, 1923.

Treacherous Legal Grounds

"Inasmuch as a large number of corporations have found themselves in this situation, the State Board of Compromise, of which the governor and attorney general are members, has adopted the policy of relieving such corporations of all past penalties for the nominal sum of \$250, provided good faith is shown by prompt application for such compromise." The recent threat of the state of Mississippi to bring an action for \$12,000,000 against the Ford Motor Company, though not based specifically upon the point under discussion, is none the less evidence of the jealousy with which some of the states regard the great volume of interstate commerce which is beyond the reach of their tax collectors.

This Massachusetts statute, which has just been upset by the Supreme Court of the United States, is in many respects the most clever of them all—diabolically clever, from the standpoint of the corporation engaged in

interstate commerce. In the words of the state's attorney general, quoted in the opinion:

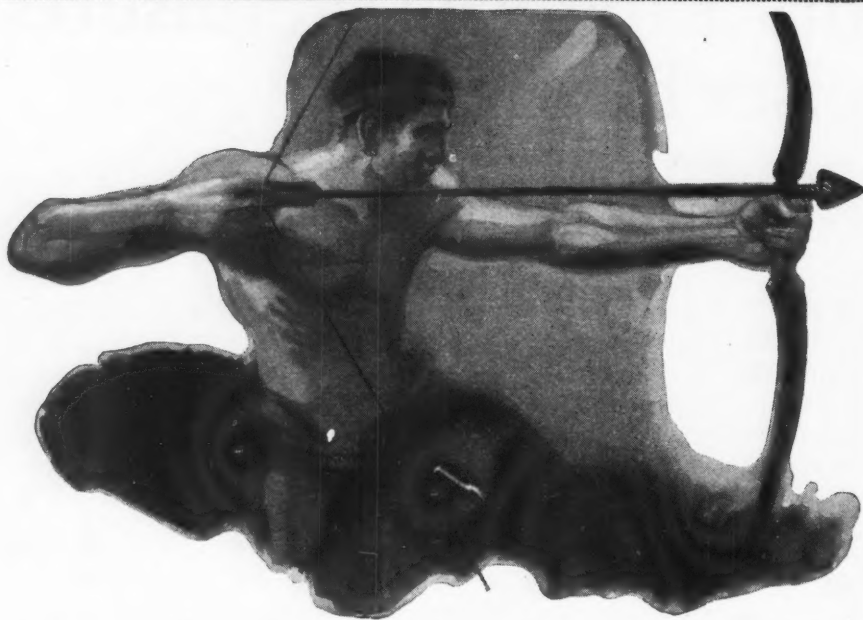
"The present tax law imposes an excise for the privilege of doing business in Massachusetts, measured solely by the property and net income fairly attributable to the business done within the state.

"Being excises, these taxes are not taxes on property or net income, but taxes measured by property and net income used in or derived from business done in Massachusetts."

To the lay mind that may seem like a distinction without a difference, but from the legal standpoint there was at least enough merit in it to lead Mr. Justice Brandeis to dissent from the opinion of the majority. The theory being, of course, that since the property of the corporation is regarded solely as a measure, it does not matter whether it is used solely in connection with interstate transactions, or in connection with business wholly within the state. And the same is true, naturally, of net income.

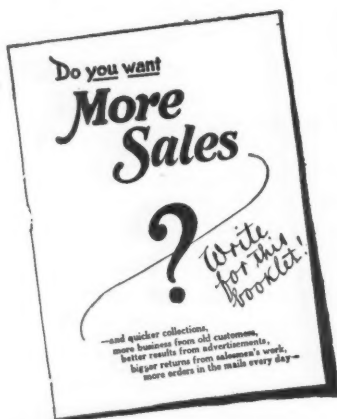
Paying for Peace

As a matter of fact, the tax was based on what was termed the "corporate excess" used by the corporation within the state. This "corporate excess" was defined as follows: "Such proportion of the fair cash value of all the shares constituting the capital stock as the value of the assets employed in the commonwealth bears to the total assets of the corporation." In addition there was a tax of 2½ per cent on the net income derived from business in Massachusetts. Practically speaking, what the thing amounted to was a tax imposed for recognition of the corporation by the commonwealth of Massachusetts, based on that proportion of its capital and assets that were employed in business in Massachusetts.



Shooting straight at your target—
more sales
 follow the steady use
 of really good letters

Consider this user's remarks. Let his own words, describing his experience, tell of our values to you. "Your man stated that if we 'hoovenized' our letters the returns would be much better. We didn't believe him. However, he insisted so much that we put in one machine."



"The results were so astonishing that we sent in a hurry call for two more. The letters written on our Hoovens were **30% more productive of actual orders** than our former perfectly filled-in letters. The Hoovens paid for themselves in one month."

"I have recommended Hoovens to a great number of people since, and those who took my advice are as enthusiastic as I am."

A copy of the letter quoted, and our free booklet may prove valuable to you. Mail the coupon.

Write and get it—now

General Sales Office, H. A. T. Corp.
 1100 Plymouth Bldg., Chicago, Ill.

Send your booklet, "MORE SALES," that tells how users increase sales, collections, etc., with genuine, personal, human letters at low cost.

Name _____

Position _____

Company _____

Address _____

The
HOOVEN
 Automatic
 Typewriter

Manufactured by

HOOVEN AUTOMATIC TYPEWRITER CORPORATION
 HAMILTON, OHIO

It is true that this particular statute has been upset so far as corporations doing purely interstate business are concerned. But state legislatures are busy all the time, and nobody can predict that the ingenuity of lawmakers will be exhausted on any particular date. The great difficulty is, of course, that it looks so much cheaper to pay a tax of a few hundred dollars than to spend several thousand in demonstrating that the same tax is unjust and illegal. And so long as foreign corporations are willing to pay for the sake of peace, these laws are likely to stay on the statute books, constitutional or unconstitutional, until somebody comes along with enough backbone and public spirit to fight it out for the benefit of all concerned.

**Electric Field Developing
 in Latin America**

There is a growing demand for electric heating and cooking apparatus and appliances in tropical Latin America, according to a report made by R. A. Lundquist, chief of the electrical division of the United States Department of Commerce, who has just returned from a trip to that territory.

While these countries are seldom thought of as good markets for this type of equipment, a good market is developing, Mr. Lundquist says, although the demand is spotty and varies with the degree of interest manifested by the power stations. Though the flat rate of charging in many cities is a handicap to the development of the use of electrical equipment, the use of electricity in homes is definitely increasing.

As an example of what can be done, one of the larger electric companies sold about 450 reflector type heaters during a recent cold spell in Mexico. Apart from the electric iron, disc stoves and reflector heaters are the most popular devices in demand.

"Impressions on Advertising and Selling" was the subject of an address by Jesse H. Neal, secretary, The Associated Business Papers, delivered before the Advertising Club of Baltimore, at a recent meeting.



—just off the press

The Second Edition

This revised edition of THE HOTEL MARKET booklet is both a text book and a reference book. Its 72 pages illustrated, with its contents brought up to date and with valuable additional information, has been prepared specially for advertising counselors and salesmen calling on the hotel market. It is the only work of its kind in existence. Many of its pages contain information heretofore unknown and unpublished.

It is free — send for it now!

Tear off the coupon below and reserve your copy of this valuable and constructive work about the hotel industry. No expense or effort has been spared to make this second edition of THE HOTEL MARKET of unusual value to advertising counselors and manufacturers interested in the hotel market.

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Chicago, Ill.

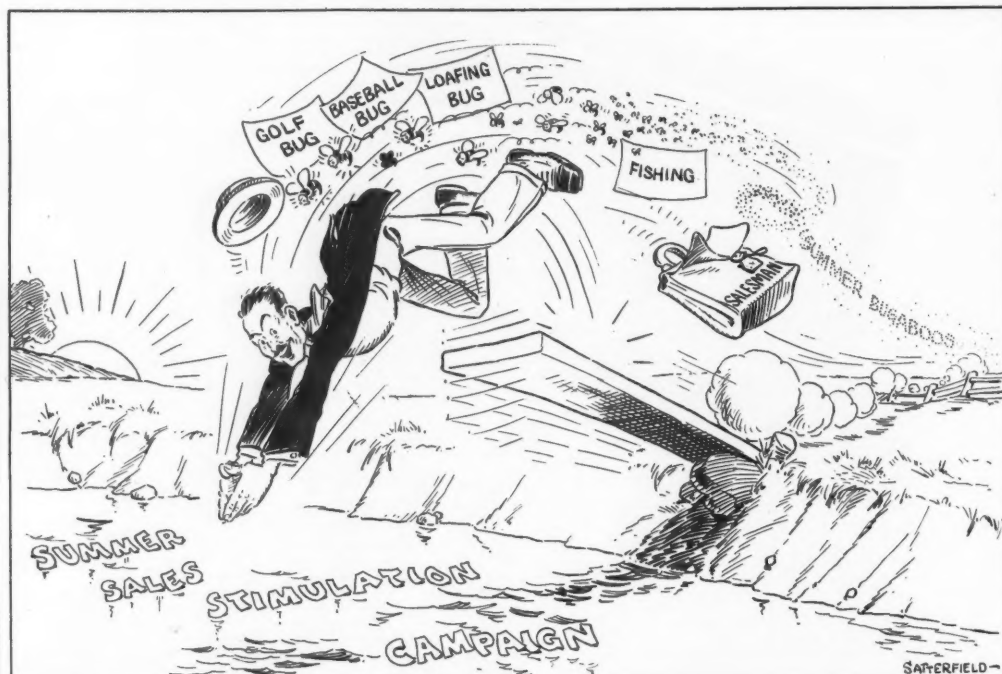
AHRENS PUBLISHING CO., INC.
342 Madison Avenue, New York City.

Please send without any cost or obligation, a copy of the 72 page
HOTEL MARKET booklet.

Name.....
Company.....
Address.....
City.....
State.....

DIVE RIGHT IN—

By Satterfield



© Dartnell, Chicago, 1925

Stirring Salesmen to Greater Accomplishment

Pictures, the ideas for which have been produced by the Dartnell editorial staff—strong, dignified cartoons and actual photographs showing valuable plans used by salesmen in various lines—are an unusually effective means for urging your salesmen to greater accomplishment. These pictures are designed to help you get across to your salesmen the important points which you know will make them better salesmen, but which you have hesitated to bring to their attention for one reason or another. They are the kind of pictures which appear in Dartnell Selling News Bulletins for Salesmen. Send for samples.

THE DARTNELL CORPORATION—Chicago—New York

THE DARTNELL CORPORATION,
1801 LELAND AVENUE,
CHICAGO, ILL.

Without obligation, please send me bulletins which contain pictures that get over effectively to salesmen the important points which I want to present to my salesmen. I am willing to be shown how Dartnell bulletins can be used to increase the sales records of our men. Our sales force usually totals about

.....Men.

Name.....

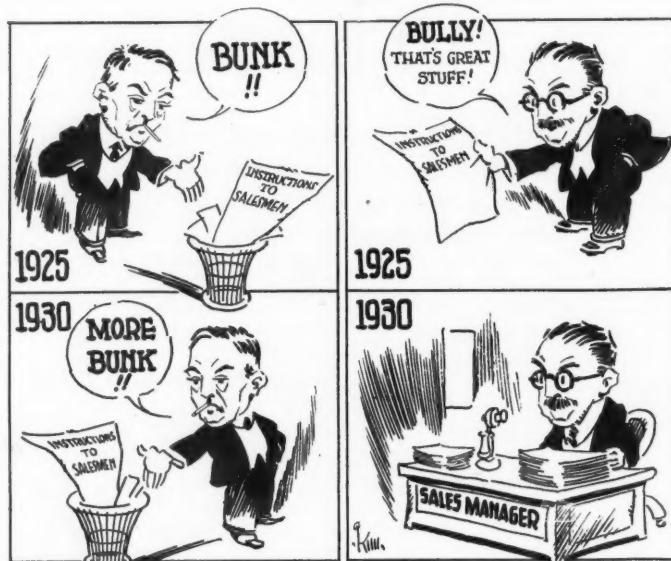
Company.....

Address.....

City.....

- ☐ I do not subscribe to the Dartnell Sales Executive Service but would like to know what it contains for us.

"That man is the most original who is able to adapt from the greatest number of sources."—Carlisle.



© Dartnell, Chicago, 1925

The "old timers" in your selling organization are not always inclined to take seriously many things presented to them. Here's a picture which good naturedly gets over to these salesmen a point that beats 10,000 words on the subject.

Should Salesmen Receive Full Credit on Mail Orders?

Is It Fair for the House to Stand the Cost of Mail Promotion and Then Pay a Commission on Mail Orders to the Salesman?

THE problem of paying commissions or allowing credit on mail orders in many lines of business is no problem at all—for the very good reason there are no mail orders!

But in these days of aggravated and constantly increasing hand-to-mouth buying, the mail order business of many concerns is growing rapidly. Even in some lines where mail orders were formerly almost unheard of, buyers are depending more on the mails for buying.

Should the salesman be encouraged to build up a big mail order business in his territory? Or does this growing mail order business tend to spread the hand-to-mouth disease?

Will paying full commissions on mail orders put a premium on a lazy salesman, who, knowing that he will receive a healthy mail order credit at the end of each month, neglect parts of his territory?

Or will a big volume of mail order business make it more difficult for competitive salesmen to break in a territory where the dealers are accustomed to getting quick service on small shipments ordered out by mail?

One Manufacturer's Experience

Does the increasing tendency to buy by mail encourage dealers to carry such small stocks that sales are lost?

These are some of the problems which many sales managers are trying to work out to their own satisfaction today. Not only is it a problem in keeping salesmen happy and contented, but it is a problem that reaches down into the very vitals of any distribution scheme.

For example, take the case of a manufacturer of a line of small household specialties sold through hardware, department, and house-furnishing stores. The line was sold by salesmen who worked on a strict commission basis. The

orders are small and the percentages paid salesmen high. The contracts with salesmen were made years ago, before the manufacturer ever thought of soliciting small orders by mail. Not long ago a new advertising manager came on the job and announced a plan for selling by mail. He worked out a series of mailings and tried out the plan in several territories.

Results were fair. But when the salesmen learned of the orders which were being sold in their territories they set up a howl for commissions, pointing to the clause in their contracts which was an agreement to pay the salesmen commission on all repeat orders, and on all mail orders and on all goods shipped into their territories. When the contracts were made mail orders were rare, and the house could easily afford to pay the full commission.

Putting It Up to the Salesman

Yet under this mail order plan business would cost almost as much to obtain as the salesmen's commission amounted to. If on top of the cost of mail orders the company had to pay commissions, the business would be unprofitable.

Some of the salesmen held out stubbornly for their commissions. Others let the matter drop, but the house felt that they were probably nursing a silent grievance. Finally the matter was put up to the salesmen in this light: "What we are really doing for you men is opening up new accounts. The small mail orders create new customers which you can turn into regular buyers. Forego your commission on introductory orders and we will pay full commission on all orders you sell these customers in the future."

When it was thoroughly explained to the salesmen that the mail order plan was simply a method of helping the salesmen, they readily agreed to relinquish

commissions on mail orders for introductory shipments. But they held stubbornly to the contention that they were entitled to full credit on mail orders from old customers. And they got it.

"No commissions on mail orders unless the salesman has reported a call on the buyer on his last trip before the mail order is received," is the policy of several sales managers who outlined their experiences.

"We made this rule for two reasons," said one sales manager. "First, to provide an incentive for salesmen to work their territories thoroughly and to make full and complete reports. Second, because we do a great deal of trade paper advertising and direct-by-mail solicitation and we feel that a salesman is weakened if he gets to the point of depending too much on mail orders. We have seen some good territories go to pieces because salesmen were imbued with the idea that if they didn't call regularly the mail orders would come in anyway."

Several Other Plans

Another sales manager handles the problem in this manner. On new accounts which the salesman opens he receives full commissions on mail orders. On accounts which were on the books when the salesman started or which are opened by mail, half commission is allowed, provided the salesman calls at least twice a year.

This sales manager feels that his company has a big investment in its present business in any territory. When a new salesman goes into a territory he virtually walks into a certain amount of business. If he personally sends in the orders he is, of course, entitled to commission, but if these old customers buy by mail he isn't entitled to receive credit for the work of some other man.

**3/10 of a cent
PER PROSPECT**

Sixty Million
American Church Members
Demand Good Church
Music and
PAY FOR IT

The EXPOSITOR
Ministers' Trade Journal since 1899
Covers the Church Field

**The October Issue
Will Be the Annual**

**Church
Music Number**

presenting unusual sales
opportunities to manufac-
turers of and dealers in

Pipe Organs
Organ Blowers
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Pianos
Orchestra Instruments
Band Instruments
Radio Outfits
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Hymn Books
Anthems and
Collections
Music Publishers
Music Racks
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Choir Stalls
Choir Vestments
Chimes, Etc.

Your Ad will go exclusively
to the Buyers in this wealthy
field at 3-10 cent per buyer
or \$75.00 a page.

+

To insure proof for correc-
tion, your copy should be in
not later than September 1st.

+

May we send you our rate card—
card of distribution by states and
a complimentary copy of the
EXPOSITOR?

+

The EXPOSITOR
701-710 Caxton Bldg.
Cleveland, Ohio

New York
17 W. 42nd St.

Chicago
37 S. Wabash Ave.

Still another plan is used in a supply business where salesmen cover a rather large territory and are able to get around only two or three times a year. The salesmen spend most of their time pushing specialties and equipment. A large portion of the supply business comes in by mail. Credit for mail orders is allowed after the salesman has reported three calls or sales to a customer.

With this plan the house is protected during the period the salesman is demonstrating his ability to hold the trade which has been established, and the salesman benefits from the established trade in direct proportion to his ability to hold it, rather than riding along on the results of his predecessor's work.

The Most Liberal Policy

Of course all salesmen, and not a few sales managers, feel that a salesman should be given full credit on all the business shipped into his territory. "Even the poorest salesman will do a lot of missionary work for a house," says one sales manager. "Often a salesman who fails to make good, or who leaves before he has built up his earning power, will establish some business which will be profitable to the house long after he leaves. Then, too, many salesmen are required to do a certain amount of detail work, such as collecting old accounts, adjusting complaints and errors for which they are not responsible. We feel that for these reasons a salesman is entitled to full commission on all business from his territory, and it is our policy to see that he gets it. Every order is credited to a territory and the salesman automatically is credited with the commission."

"What we lose in paying salesmen occasionally for an order which they did not obtain, or even influence in any way, is made up in good will. When a salesman receives a commission check or a credit memorandum for a sale he knew nothing about, it is a wonderful stimulant. It renews his confidence; it may even shame him into greater activity, and we are convinced that the money we pay out in this way is a good investment—if only as a morale builder." This is the explanation given by one sales manager whose house is

well known for its liberal treatment of salesmen.

Other sales managers take the stand that only the highest type of salesman can build up a big mail order business and that every mail order reflects creditable work on the part of the salesman. And analysis of mail order sales in one organization showed that the salesmen who had the most profitable and productive territories were the men who had built up the best mail order trade.

A Cincinnati sales manager reports that at one time his house had a ruling that salesmen were to receive full commissions only when the salesman's name was mentioned in the mail order. "This ruling kept us all in hot water," he declared. "Salesmen were forever claiming commissions on orders where their names weren't mentioned. They took the stand, and it was not unreasonable, that the buyer probably forgot to mention names, and assumed that the salesman would receive credit. The ruling caused so much ill feeling, correspondence and explanation, that we finally abolished it. Today we pay full commissions on all orders."

Understanding Should Be Clear

No matter what policy is followed, there should be a very clear understanding between the house and the salesman. If there is any sort of written agreement this matter should be carefully and definitely covered. A "flexible" policy is almost sure to bring trouble. Adjusting each case on its merits is bothersome and often causes the salesman to become suspicious. Nothing can undermine a salesman's morale quicker than a feeling of suspicion that the house is not averse to holding back commissions on occasional orders. And whether we believe it or not, it is a fact that hundreds of salesmen harbor a "sneaky" feeling that members of the home office force are in league to prevent him from getting all the credit he is justly entitled to.

Frank S. Allen, assistant publisher, the Portland Telegram, gave an address on "The Evolution of Big League Advertising and Merchandising" before the Portland Advertising Club, July 15.

Farm Income Set at \$12,136,000,000

FARMERS in the United States received a larger gross income from agricultural products for the year ending June 30 than in any other year since 1921, according to a report of the Department of Agriculture released July 21. The gross income for last year was \$12,136,000,000, as compared with \$11,288,000,000 for the year ending June 30, 1924. This represents an increase of 7½ per cent.

The increase in income was attributed to the high prices received for grain and cattle, particularly for wheat and hogs. Cost of feed, seed and waste has been deducted from the gross figures.

Expenses for production were set at \$6,486,000,000, or an increase of 2 per cent over 1924. The net cash income from sales was \$3,291,000,000 as compared with \$2,565,000,000 in the previous year.

The net income from production, including the net cash sales and the value of food and fuel produced and consumed on the farms, was \$5,650,000,000, an increase of 14.7 per cent over the previous year's \$4,925,000,000.

The department's analysis includes a study of expenses and receipts for the agricultural industry. The average net income per operator, including tenants, amounted to \$876 during the last year, compared with \$764 during the previous year. This covers the return of the farmer's equity in his property as well as earning for the labor of himself and his family.

Postmaster General New has called for bids by September 15 from prospective contractors for the eight new air routes recently decided upon to connect with the transcontinental air service. An average flying speed of approximately 90 miles an hour and six round trips a week on each route are required. Bids for additional routes will be called for as soon as petitions are received and the feasibility of such routes is passed upon.

Service will begin as soon after September 15 as successful contractors can begin operations.



Facts That Close Sales

WHY are REAL PERFORMANCE FACTS—the strongest of all sales weapons—seldom found in the salesman's kit?

Simply because these vital facts are exceedingly hard to get. Very few of your customers keep records of the performance of your product, the operating cost, and the savings it has made for them—while those who keep such records generally decline to release them for the use of your salesmen.

Even when your own engineers succeed in getting a performance report your prospect discounts the facts because they were not secured by an unbiased investigator.

The A. C. Nielsen Company has developed a method of getting this vital data from an unbiased viewpoint and at a cost so nominal that no manufacturer selling to industry can afford to rely on testimonials and other relatively ineffective material.

Over 100 industrial leaders, selling everything from twist drills to Diesel engines, have equipped their salesmen with Nielsen Surveys—AND THEY REPORT SALES INCREASES AS HIGH AS 44%.

Here is a real opportunity to increase your sales. You owe it to your firm to investigate—without delay.

Write today for a sample Nielsen Survey and Bulletin No. 100. They are yours without obligation. This material also tells how Nielsen Surveys can be used to give your advertising and direct mail copy a sales-closing punch

A. C. NIELSEN COMPANY

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NEW YORK

CHICAGO

CLEVELAND

NIELSEN SURVEYS
CERTIFIED PERFORMANCE

Ask the Great Successes!



In the Van Raalte Company of New York City

manufacturers of fine hosiery, the Accounting Machine Installation, shown at left, takes care of the burden of work in the compilation and analyses of sales and production orders, stock records, costs of shipments, salesmen's commissions and other accounting and statistical work.

Electric Tabulating and Accounting Machines

(HOLLERITH PATENTS)

INSURE important economies in accounting operations. ¶ Deliver vital statistics of all businesses in record time. ¶ Give executives a clear, informative perspective of their business. ¶ Save men, minutes and money by enabling fewer people to do more work in less time. ¶ Lend themselves to practically every business, and are used profitably by the leaders in all lines.

For further information use the coupon



INTERNATIONAL BUSINESS

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The Tabulating Machine Company Division

50 BROAD STREET, NEW YORK, N. Y.

Gentlemen:—

Kindly supply us with detailed information regarding Electric Tabulating and Accounting Machines.

Name _____

Kind of Business _____

Address _____

SM-7-25

Merchandising Trends in the Automotive Field

(Continued from page 80)

Many of those who were attracted to the business in the early days were men of the speculator type who flock to anything where there is a popular demand that promises quick and easy profits, and the rest were for the most part men who had had no previous experience in merchandising.

"Their sole idea, of course, was to sell goods to anybody who had the price, and to set up as a dealer anybody who had a place of business and enough mechanical ingenuity to use a monkey-wrench. There have always been exceptions, of course, but in general the business grew up in that way.

Some Corrective Movements

"Jobbers overran one another's territories, cut prices, made extravagant allowances, and did everything else that a business house can get away with in a boom market. Costs are inevitably high under such conditions, and I think they are likely to remain so until the jobber learns to cultivate his field intensively, select his dealers more carefully, and increase his sales by developing individual dealers to the point where they become steady, worth-while customers."

Now judging from what I have been able to learn, I should say that the jobbers themselves are pretty generally alive to the situation as above described. Both in 1923 and 1924 the Harvard Bureau complimented the trade upon the high percentage of returns received in response to its questions, and the degree of cooperation given in its study of operating costs.

Last fall the Automotive Equipment Association asked Mr. L. D. H. Weld, manager of the commercial research department of Swift & Company, to study the Harvard report for 1923, and point out where and how, in his judgment, conditions might be improved. A good deal of very serious work is being done as a result of Mr. Weld's analysis; along such lines as cutting down the extremely high percentage of returned goods, studying methods of salesmen's compensation, territory

analysis, and the like. The work that the association is doing along these lines appears to be of considerable importance, the more so because the membership is not confined to jobbers, but includes equipment manufacturers as well.

From the standpoint of an observer on the outside, however, the development in this field that seems most significant is the comparatively recent growth of the replacement parts jobber, as distinguished from the old-line accessory jobber. It is not always easy to draw the line between the two types, because the old-line accessory jobber also handles parts, and the parts jobber handles accessories. None the less I am assured that there is a very real distinction between them, and something very like a struggle to see which group shall ultimately become the dominant factor in the equipment market.

Old-Time Jobber Is Losing Out

Up to the present it appears that the old-line jobber has been losing out, to a very marked degree, so far as the replacement and repair parts business is concerned, and to a certain extent in connection with accessories. And a number of concerns do not hesitate to predict (though they are by no means willing to be quoted in that connection) that the old-line jobber will gradually be pushed out of the picture unless he is able to increase his efficiency materially, and render a real service in building up strong retail outlets.

The replacement and repair parts jobber is comparatively a newcomer in the field, because it was not until a large number of cars had been running for a number of years that there was any substantial, settled demand for replacement parts. And when he did arrive in response to the demand, he was obliged to select his customers with considerably more care than the old-line jobber was accustomed to exercise, and to develop the idea of service to a considerably higher degree.

The conditions governing the ultimate sale of replacement parts

differ considerably from those surrounding the sale of accessories. The car-owner who decides to install a new set of pistons, new gears or new bearings in order to give his car a new lease of life, is not likely to have the work done casually at the first wayside garage he comes to. And the work itself requires technical knowledge and mechanical skill considerably above and beyond what is required to sell and install an accessory.

Hence the jobber in this branch of the business did what the old-line jobber had mainly neglected to do—built up a list of carefully selected dealers who were capable of rendering efficient service, and worked with them to improve their service and increase the volume of their business. Thus, the parts jobber put himself in a position to give the manufacturer a much better and more efficient distribution than the old-line jobber ordinarily could do, and this held good with respect to accessories as well as parts. Practically every letter that I have received from manufacturers refers to this distinction between the two types of jobbers, and a number of concerns state flatly that they have no fault to find with the efficiency of the parts jobber, while the old-line jobber's service leaves a good deal to be desired.

The Rise of the Parts Jobber

So far as the general merchandising trend can be definitely stated, therefore, it seems to be in the direction of smaller territories, with better selected and more intensively cultivated distribution. If the old-line jobber is going to compete successfully with the parts jobber, it seems to me that he will have to work his territory on that basis ultimately.

In conclusion, a few paragraphs from the letters are worth quoting, as illustrative of conditions already referred to, or as bringing out points not covered in detail.

A manufacturer of parts located on the Pacific Coast, writes:

From recent observations it is my belief that conditions surrounding the sale of replacement parts on the coast vary somewhat from those in other parts of the

Who is this Fellow?

He's a MOTOR CAR OWNER—the 100 and some odd thousand Rotarians own nearly 110,000 motor cars costing conservatively \$175,000,000.

In fact, we find upon investigation that a very large percentage of the motor cars owned by Rotarians represent an investment of \$1,000 or more each and a considerable number approximately over \$2,500 each.

Right here is an extremely intensive field for tires and all kinds of automobile accessories—to say nothing of the replacement sales of automobiles.

*He's a fellow
worth
talking to!*

THE ROTARIAN THE MAGAZINE OF SERVICE

Advertising Manager
Frank R. Jennings, 221 East 20th Street
CHICAGO

Eastern Representatives
Constantine & Jackson
7 W. 16th St., New York

Cincinnati, Ohio
A. Q. Gordon, 28 Pickering Bldg.

Pacific Coast Representatives
Blanchard-Nichols-Coleman
San Francisco, Los Angeles, Seattle

Member Audit Bureau of Circulations

country. Owing to the distance from the usual source of supply, quite a number of factories have sprung up locally during the past three or four years. These plants require something of an outlet on the coast to keep them going as they seem unable to compete with eastern or mid-western manufacturers. With one or two notable exceptions, these Pacific coast factories have opened up their jobbing prices to practically all concerns wishing to buy, and as a result cause considerable disruption in the replacement field. The larger jobbers are at the present time preparing to take a stand against such manufacturing concerns by refusing to patronize them, and as the small dealers in the small communities cannot develop a sufficient volume to keep them going, their future, in the opinion of the writer, is somewhat in doubt.

The writer is of the opinion that the replacement parts business in this territory has been very much overdone, particularly on the manufacturer's end, and until time has eliminated this evil of overproduction with its ever-present danger of obsolescence, the going will be pretty rough, especially for the small concerns.

From a large equipment house in the Middle West:

We believe that the day is coming when the jobber will be forced to make merchants out of the service stations that he has in his territory, and get away from the old, selfish idea of just putting merchandise on the shelf. In other words, it will be up to the jobbers' salesmen to be something more than a mere order-taker. And right here we might say that better than 90 per cent of the trade are in a frame of mind to respond to this co-operation if the man trying to put it over knows what he is doing and does not run around in circles.

To correct the ills of the industry as a whole we think that many manufacturers will cut out at least 50 per cent of their present distributors, and spend their time with the distributors who are susceptible to sound and economic plans of merchandising.

From one of the largest manufacturers of bearings:

On the whole, I do not believe that we find "unsettled conditions" in the jobbing field so far as our business is concerned; a record of our distribution for the year up to date showing that we have increased not only the volume of sales, but the number of jobber connections.

Our experience has been that those who go into the business of selling automotive accessories are lacking in business experience and a business ideal. There is a good deal more needed than the hiring of a place of business in a suitable neighborhood, to insure success. It takes a high order of salesmanship and an equally high order of business service to make the supplementary automotive lines profitable. Competition is keen, and many of the so-called jobbers are too much of the horse-trader type.

In attempting to make jobber connections it has been this company's practice to carefully survey the prospects in the field first; to visit them, and then to call upon those

who are their logical customers and get outside opinions as to their business standing and the manner in which they handle their business. By a process of elimination we have thus far been able to secure well qualified representation.

In our judgment it is a futile and costly thing to establish representation mainly on the ground that our concern should be represented within certain geographical boundaries.

Once established, the jobber's education must be continued. He needs more than occasional contact with the factory. Such contact has the initial advantage of keeping the jobber on his toes, and enabling our man to see that adequate stocks are carried. Lack of results, in our opinion, can generally be traced to lack of care in making the connection, and insufficient support to the jobber once the connection is made.

And this rather pointed comment from a large eastern jobber:

While you are studying the shortcomings of the jobber in this field, I hope you will not overlook the fact that no field of merchandising is so plentifully supplied with manufacturers who have no excuse for existence except the desire to make a little easy money. In the early days of the business, a number of manufacturers got rich very quickly on good, standard merchandise, and their success simply attracted a swarm of others whose standards of merchandise are just as low as they can get away with. They will sell to the gyp or to anybody else, just so long as they can get the money. What happens to the poor motorist, they don't care.

This situation is making it hard for the manufacturer of high-grade merchandise, and for the jobber who has any conscience at all. But we don't think it is going to last very much longer, though the manufacturing situation in our opinion will have to be cleared up first.

Paper Salesmen Protest Federal Competition

The Miami Valley Division of the Salesmen's Association of the Paper Industry has adopted strong resolutions protesting against the government's competition with private business in the sales of stamped envelopes at a price of little more than the cost of the postage. Similar resolutions have been adopted by the Miami Valley Paper Manufacturers Association, many of the typothetae associations in the country, the National Editorial Association, and many Ben Franklin clubs.

The resolution objects to the government's use of "fifty odd thousand post offices and about four hundred thousand mail carriers as branch houses and salesmen in the distribution and sale of envelopes."

Two Hundred Cities Save Daylight

Two hundred cities in fifteen states are using daylight savings, according to a recent report issued by the Merchants' Association.

Classified by states, the largest cities using daylight time, are as follows:

New York—Albany, Buffalo, Canajoharie, Glens Falls, Gloversville, Goshen, Johnstown, Lackawanna, Lake Placid, Lancaster, Lawrence, Lockport, Long Beach, Rochelle, North Tonawanda, Oneida, Poughkeepsie, Tarrytown, Tonawanda, Troy, Tuckahoe, Utica, Watervliet, West Point, White Plains and Yonkers.

New Jersey—Asbury Park, Atlantic City, Camden, Dover, East Orange, Elizabeth, Hoboken, Jersey City, Newark, Orange, Passaic, Trenton.

Connecticut—Notwithstanding the attempt of rural legislators to prohibit the observance of daylight saving by the passage of law making it an offense to show other than Eastern standard time on clocks or timepieces publicly displayed, daylight saving is observed by all banks, offices, stores and factories in the following places: Bethel, Bridgeport, Bristol, Danbury, Danielson, Derby, Greenwich, Hartford, Manchester, Meriden, Middletown, Naugatuck, New Britain, New Haven, New London, New Milford, Norwalk, Norwich, Oakville, Rockville, Southington, Stamford, Torrington, Wallingford, Waterbury, Watertown, Winsted and Willimantic.

Rhode Island—Entire state.

Massachusetts—Entire state.

Maine—Bar Harbor and Portland.

Pennsylvania—Bristol, Corey, McKeesport, Philadelphia and Pittsburgh.

Delaware—Wilmington.

West Virginia—Wheeling.

Kentucky—Covington and Newport.

Ohio—Cincinnati, Dayton, Hamilton and Springfield. The following Ohio cities observe Eastern standard time throughout the year: Akron, Canton, Cleveland, Elyria, Lima, Marietta, Newark and Sandusky.

Indiana—Crown Point, East Chicago, Gary, Hammond and Whiting.

Illinois—Chicago and its suburbs.

Michigan—Benton Harbor, Buchanan, Freemont, Grand Haven, Grand Rapids, Grant, Holland, Michigan City, Muskegon, Newaygo, Sault Ste. Marie, St. Joseph and Sturgis. The following Michigan cities observe Eastern standard time throughout the year: Adrian, Alpena, Battle Creek, Bay City, Detroit, Flint, Jackson, Kalamazoo, Lansing and Saginaw.

Wisconsin—Milwaukee (banks and grain exchange observe daylight saving time).

G. L. Stansbury, of the Business Research Corporation of Chicago, addressed the Advertising Club of Denver at a meeting held July 14, on "Order in Business."



TWO MARKETS in THE ELKS MAGAZINE

1. 850,000
Identified MEN
(and their families).

2. 122,300 *Identified Dealers.*

The Elks
Magazine

50 East 42nd Street

New York City

The Largest Magazine for Men

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CLEVELAND, OHIO HOTEL CLEVELAND

Servidor service. Excellent sample rooms
Conveniently located at the Public Square

HOTEL LINCOLN

400 Rooms and Bath
Conveniently located in the heart of Indianapolis
Washington Street (National Trail) at Kentucky Ave.
Management, R. L. MEYER
INDIANAPOLIS, INDIANA

DETROIT, MICH. THE BOOK-CADILLAC

1200 Outside Rooms with Bath
475 Rooms at \$4 and \$5

TOLEDO, OHIO THE HOTEL SECOR

338 Rooms. Rates \$2.50 and up
Two Restaurants and Lunch Room

PITTSBURGH, PA. The General Forbes Hotel

Most centrally located hotel in Pittsburgh
600 Rooms

ROCHESTER, NEW YORK HOTEL SENECA

350 Rooms
A favorite stopping place with Sales Managers
Test our service

CHICAGO, ILLINOIS THE MORRISON HOTEL

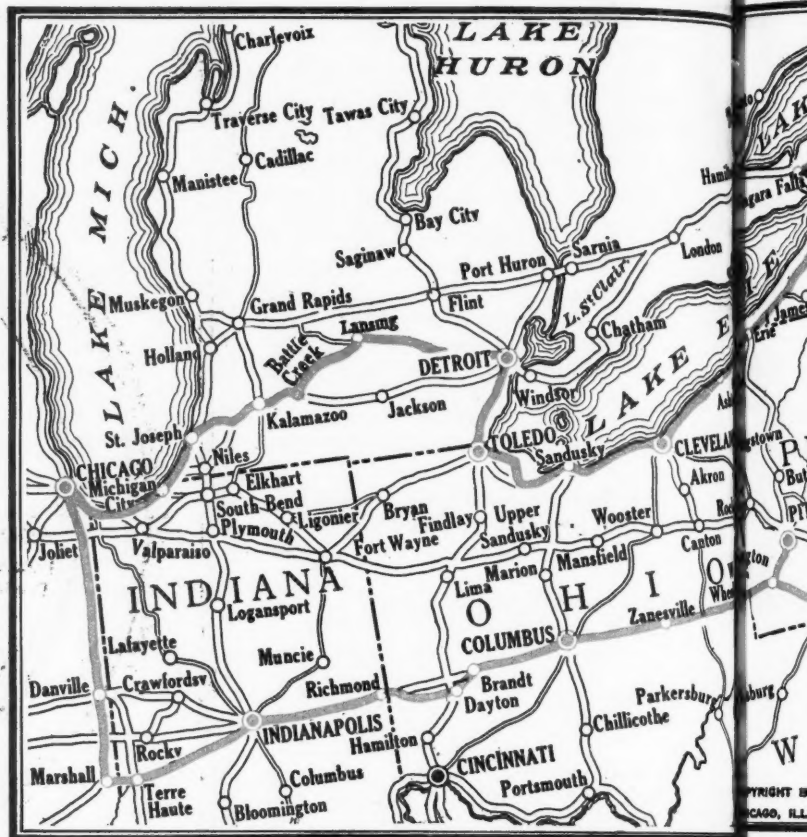
1,000 Rooms each with Bath
The Home of the Terrace Garden

ERIE, PA. THE LAWRENCE HOTEL

170 Rooms. Rates \$2.00 and up
Garage convenient

ALBANY, NEW YORK THE TEN EYCK HOTEL

400 Rooms
Rates \$2.50 and up

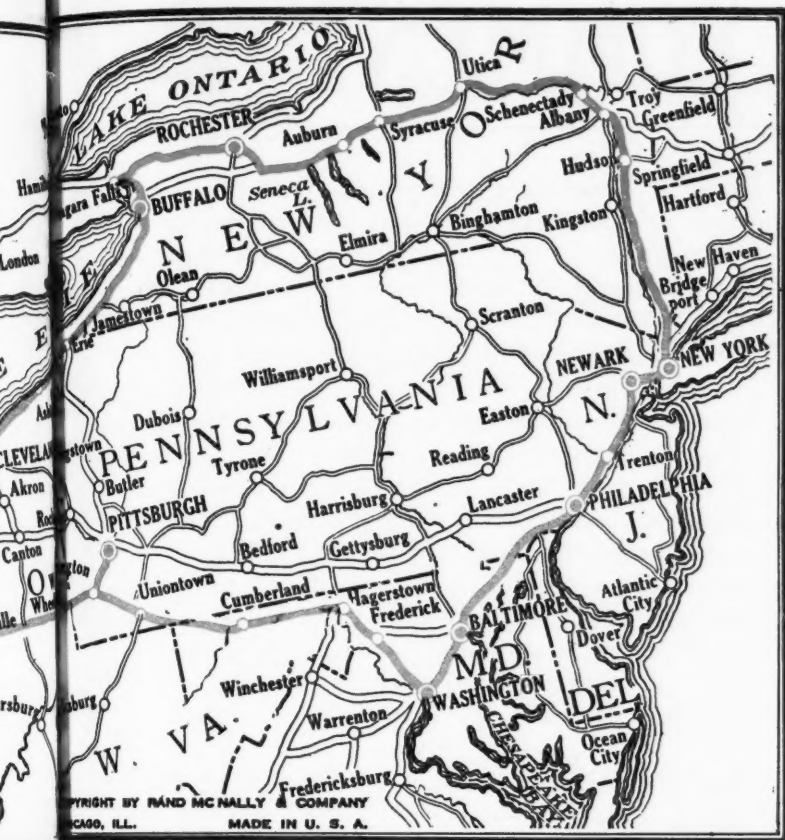


A 2,500-Mile Field T

THE sales executive, today, who expects to keep in close contact with his salesmen, with his customers, with market conditions and with competition can no longer do this by remaining in his office week after week. He finds it imperative now to get out into the territory, to discuss problems and policies with his trade, and to develop closer cooperation with his men. A tendency is growing to abolish the large sales conventions and rather to hold local sales conferences frequently with a few of the men in the various territories.

To the executive who wants accurate up-to-date information on conditions in the country today, we strongly recommend the 2,500 mile field trip outlined above.

The President and Sales Manager of a well-known Chicago firm completed this tour in two weeks during last October. Already their experiences have proven of considerable value to this organization and as a result many new features have been added to their work.



ld Trip on Hard Roads

Of course no one will follow the exact trip as outlined above, but we recommend it for several good reasons. Every mile on this 2,500 mile tour is either concrete, asphaltum, brick or some similar hard pavement. Forty cities are included on the schedule, while many more can be visited if desired. The five largest cities in the country are included and likewise many of the smaller towns and even villages can be made. Every possible viewpoint can be obtained, and all conditions studied first-hand.

Most of the towns are fairly close together, so that the jumps between can be covered at noon or in the evening. This gives the maximum time for calls and conferences with salesmen. A further feature of this trip which will make a strong appeal to executives is the excellent hotels which will be found along the route where the facilities, comforts, food and hospitality are unusual.

For further details we will be glad to have you write to the Travel Bureau of *SALES MANAGEMENT Magazine*.

Leading Hotels on this Tour

NEW YORK
THE WALDORF-ASTORIA

PHILADELPHIA
THE BELLEVUE-STRATFORD

WASHINGTON
THE WILLARD

CHICAGO, ILLINOIS
THE DRAKE HOTEL

Over-looking Lake Michigan
The Choice Hotel for Conventions

DETROIT, MICH.
THE HOTEL TULLER

Central location facing Grand Circus Park.
Garage convenient. Rates \$3.00 and up.

COLUMBUS, OHIO
THE DESHLER HOTEL

400 Rooms. Rates \$3.50 and up.
Opposite State Capitol Building.

BALTIMORE, MD.
THE SOUTHERN HOTEL

345 Rooms all with Bath
Minimum Rate, \$4.00 per day

SCHENECTADY, NEW YORK
THE VAN CURLER HOTEL

Opened May 8, 1925
Member of American Hotels Corporation
Located at entrance to bridge over Mohawk River

CHICAGO, ILLINOIS
THE SHERMAN HOTEL

New addition opened in May
The favorite hotel for sales executives and salesmen
Rates \$3.00 and up



EDITORIAL COMMENT



Playing Politics In Business Courts Disaster

In Chicago there is a cat and dog fight going on between the brick and hollow tile interests. We do not know anything about the relative merits of brick and tile for building purposes, but we do know that the brick interests are receiving a terrible lashing in the daily papers. Evidently the brick people have in one way or another been influential in getting certain restrictions written into the building code against hollow tile.

There have been all kinds of charges and counter charges. Graft has been hinted at, and from where we stand it looks as if the brick interests are getting a black eye which may be more costly in the long run than any sales advantages they may have been able to enjoy as a result of the ban on tile.

It is just another case, it seems to us, of the danger in playing politics in selling. Politics are likely to prove more costly and less resultful in the long run than straight advertising. It should be remembered that anything approaching a monopoly is often more dangerous to the seller than to the buyer. We know of no basic product which can long enjoy and profit by a monopoly which effectively shuts out competition.

Many branches of the brick industry have benefited from cooperative advertising and sales efforts. Common brick, face brick and paving brick are all well advertised through the constructive and cooperative efforts of leaders in the various fields. Doubtless this cooperative effort has been very profitable. But it will be easy to destroy much of the good effects of this effort if the industry as a whole tries to take unfair advantage of its competitors by influencing politicians who are in a position to obtain special advantages in building codes. We do not say that this has been done. We do not say that the brick interests have tried in any way to obtain any unfair advantages. But whether they have or not it will amount to the same thing if the public thinks so. And as far as Chicago is concerned, the public is beginning to wonder.

Crop Conditions Need Careful Watching This Fall

Dry weather in many parts of the country has brought about an unusual condition in business. In some territories crops will be unusually early. For example, cotton in the Memphis district is expected to be ready for picking much earlier than usual. In other districts it will be late due to delay in planting on account of the drouth. In

parts of Texas there is practically no cotton crop, while in other parts of the state there will be banner crops, and in some sections large acreages of cotton have been planted where wheat was once the major crop. All these conditions have a direct influence on sales, and should be carefully watched.

Although crop conditions necessarily influence sales, it is claimed that farmers are in better condition to stand a crop failure this year than they have been for many years. While most districts are reporting excellent crop prospects, there are some territories where crops will be failures. But before these territories are abandoned, the sales manager should know the facts, for buying may be retarded only temporarily. A lot of profitable business will be obtained this fall from territories which promise little right now.

Do You Really Know Why Your Salesmen Resign?

In a certain medium sized sales organization there was a recent wholesale resignation of salesmen. Most of the men who resigned claimed to have had better offers. The resignations came just prior to the announcement of an improvement in the company's line that materially strengthened its position. Many of these men would not have considered resigning had they known of the improvement in the company's line.

The facts were that these men felt that they were marking time. They had lost interest, and inroads of competitive products had given them a case of nerves. The company had been working on the improvements for more than a year, but had jealously guarded the facts. The loss of the salesmen came at a critical time and the cost of replacing them was a real item.

In every organization there are certain men who delight in spreading pessimistic rumors, who are forever telling tales that tend to break down morale. When the salesmen are kept in the dark about the company's plans, it is no wonder that these rumors are believed. Every sales manager should give thought to this problem. He should try to know what his salesmen are hearing through the old grapevine route. And he should enter into the salesman's plans for the future. When a man stops dreaming and planning, he is almost sure to hit the toboggan. If a sales manager will take the trouble to point out to his men the future possibilities of their jobs, and take them into his confidence occasionally he is not going to suffer seriously from a high rate of turnover in the sales organization.

**"Firm executives other than the sales managers are interested
in sales and consequently in SALES MANAGEMENT"**

So Mr. McGivena, too, uses a regular schedule

THE FIRST
PICTORIAL DAILY
IN AMERICA

THE NEWS



NEW YORK'S

PICTURE NEWSPAPER

THE LARGEST
DAILY CIRCULATION
IN AMERICA

ADVERTISING OFFICE

25 PARK PLACE, NEW YORK

TELEPHONE BARCLAY 3500

June 18, 1925

Mr. Philip S. Salisbury
Sales Management
19 West 44 Street
New York City

Dear Mr. Salisbury:

We use Sales Management because in this day and age we think that the sales managers who amount to anything usually have some voice in the selection of media for their firms' advertising. It may be only a small, still voice in many cases, but we like to have it on our side when the selection of New York newspapers comes up.

Because we know, also, that firm executives other than the sales manager are interested in sales, and consequently in Sales Management, we feel that it does not do a bit of harm to expose them to our advertising arguments in print.

The largest daily circulation in America is by all odds the greatest, single selling force in the New York market today. We want sales managers and executives who think in terms of selling to know and realize this fact; so, we use Sales Management for their information and education.

Sincerely,

THE NEWS

LEMgivena:D

Mgr. Publicity

**SALES MANAGEMENT HAS MORE SALES EXECUTIVE SUBSCRIBERS
THAN THE THREE OTHER SALES AND ADVERTISING JOURNALS COMBINED**

An Important New Book

"How to Plan a Convention"

By P. G. B. Morriss

GLANCE for a moment at a few of the questions which are fully answered in this remarkable 160-page book, just off the press.

What are the purposes of a convention?

What kind of conventions are there?

How can the program be fitted to the individual organization?

When should conventions be held?

How should committees be organized and how should their functions be carried out?

How should registration be conducted?

Who should appear on the program?

How should the social features of a session be staged?

How can reduced railroad fares be secured?

How should publicity for a convention be handled?

EVERY association executive, sales manager or anyone else interested in making a convention a success will find this volume of inestimable help. The material is based on actual experiences, reported by several hundred convention managers, and others. It fills a long-felt need.

The author has viewed the convention as an essential agency for progress in modern business life. He shows what to avoid in planning and carrying out a convention session; he outlines, most minutely, how to enlist the whole-hearted cooperation of hotels, railroad companies, local chambers of commerce, etc.

A Limited Edition

The edition of "How to Plan a Convention" is not large, so that if you wish a copy an order should be placed without delay. Problems that now seem formidable, may be solved by the reading of a single chapter of this unusual book. A copy will be sent, postpaid, on receipt of Two Dollars (\$2.00). Or, a synopsis of contents will be sent FREE. Address

DRAKE PUBLISHING COMPANY
144 Walton Place
Chicago



HALF an' HALF



Another who has discovered the gullibility of the average householder is a Pittsburgh merchant who tried unsuccessfully a few years back to establish himself in the business of selling boilers, ranges, and kindred necessities. Several other firms had a strangle-hold on the business, and this man couldn't break in to the extent that he wanted to. He tried cutting prices but that did not increase sales materially.

But today this man has the largest business of its kind in the city. He has built it up through extensive advertising in the classified columns of the newspapers, wherein he advertises, "Second Hand Boilers." There is a joker—and it is this: he takes brand-new boilers, sets them out in the back yard where the rain can play on them, and in a month or so they are nicely rusted. Then he sells them as second-hand at a discount of not more than 5 or 10 per cent from the new list prices. And everybody is happy!

½ & ½

The quest for "a letter" or "an advertisement" to revolutionize a business is like the quest for the gold at the foot of the rainbow, it is Hope playing on a broken instrument, it is the old graybeard fatuously seeking gold from baser metals, it is optimism run mad and plain foolishness triumphant—and yet it is so common that one must think of it as one of those illusions we work under by virtue of a merciful Providence, so that business life will be rendered happier. After all, we may yet find "that pot of gold" at the foot of the rainbow. Grown-ups will revel in "Peter Pan," and all of us like to go into the fairy world—and, maybe, some day we will see a fairy—it's just as reasonable as all that.—From "Printed Salesmanship."

½ & ½

During the week we have seen two interesting comments on the now famous Edison questionnaire. Ray Comyns of the Alexander Hamilton Institute said at a meeting of the American Management Association, "I have never had the usual attitude of sarcasm toward the Edison questions. I think I know what Thomas Edison had in mind. The biggest thing you can get in business, whether it be on the selling end or any other, is the capacity to be interested. The man who has the capacity to be interested will quite naturally gather to himself a lot of miscellaneous information. Edison's questions were designed, it seems to me, not with the idea that any man would be able to answer them all, but that the man able

to answer any considerable number of them would by that ability indicate a capacity to be interested. I place great value on that capacity to be interested in the business."

The other comment was one made by Heywood Broun in a *Liberty* article. One of the Edison questions was what to do with two pair before the draw, and Broun says, "It was not an intelligently framed question. The limit was mentioned, as I remember, but there was no information as to the lateness of the hour and the status on the books of either contender. Even with all the facts, I doubt whether this particular part of the examination would have helped Mr. Edison very much in determining whether the applicant would make a good employee. Possibly it was a catch, and only those who answered, 'I know nothing about poker,' got the job."

½ & ½

Since the writer has formed the habit of reading a few English periodicals every month he has a better appreciation of English humor. Our cousins across the water are good business men and yet they do not take their business as seriously as we do. Many of them get a delicious light touch into their advertisements. Here is an instance—from Fortnum and Mason, who have been in business at 182 Piccadilly for two hundred years and more. These two paragraphs are from an ad about their beef tea:

ON PUTTING BULLS INTO BOTTLES

This is our beef tea with prime beef ground up in it. Grand life-giving stuff with the real beefy savour—and so it ought to be, for it is really a bull in a bottle.

It had long been our fondest wish to put bulls in bottles. We used to take a bottle and a shoe-horn, and go into the country looking for bulls. Some proved utterly impossible—utterly lacking in restraint, but whenever we met a bull with any savoir-faire we used to try and try, sparing neither ourselves, the bull, nor the shoe-horn, but always with the same result—an undue proportion of the bull remained actively outside the bottle. At last we submitted the whole matter to the School of Economics, and they suggested we had better grind the bull up first. We admit we had not thought of that. It does make it easier. That is why we never grudge money spent on higher education.

—PHILICITUS.

Urges Wider Use of Trade Statistics

DEVELOPMENT and proper use of business statistics by trade associations along the lines laid down by the recent decisions of the United States Supreme Court is strongly urged by the department of manufacture of the Chamber of Commerce in a bulletin made public last week, which says:

"With the clearer understanding of this liberty under the law (which remains unchanged), there is no bar to the development and proper use of business statistics. This clearing of atmosphere should mark the passing of guessing as to the facts concerning our commodity production and distribution provided there is a willingness, at source, to supply the information. It is in the hands of each member of an industry to make possible complete and accurate figures for his line by his own contribution.

Suggests Uniform Reports

"Trade associations will undoubtedly appreciate the opportunity of rendering to their constituency invaluable service by providing means for the gathering and reporting of statistics dealing with such important trade information as producing capacity, orders, shipments, stocks and markets as shown by prices on closed transactions.

"In the renewing of statistical activities it is timely to suggest simplification of methods and forms in order that the information which is found be obtained and presented as quickly and accurately as possible, at the minimum of expense. Such uniformity will enable the transmission of information gathered in the form of charts or graphs when desired much less cumbersome than presenting great masses of figures.

"If uniformity of method is observed, it would greatly simplify the matter of not only charting a given line but also including such other lines as may be of collateral interest or important in comparing the trends of the industry. One of the important essentials of statistics is that they shall be fresh as well as dependable."



The Area Comprising the New York City Milk Shed.

Why Women Read This Dairy Paper

UNLIKE her city sister, the farm woman takes an active interest in her husband's business. She knows its problems, and often is the first to suggest needed farm improvements.

Recognizing this, the Dairymen's League News has built up a strong household department. On the Home Editor's Advisory Board are real farm women, leaders in their respective communities. An examination of the Home Department will convince you of its vital interest to readers.

The Dairymen's League News appeals strongly to the woman as well as to the man on the dairy farm. Both have a peculiar interest in and affection for this paper of which they are themselves part owners. It is published for them, and they have a voice in shaping its policy.

Manufacturers of household supplies and equipment will find the 70,000 women readers of the Dairymen's League News responsive to their sales messages. These women are purchasing agents for families which maintain a high average standard of living. A dependable year-round income from milk, eggs and other produce assures them ample buying power.

The women on the prosperous dairy farms of "The New York City Milk Shed" are eagerly considering improvements for their homes. You can reach them most effectively through their own paper—and the cost is only 50c a line for a circulation averaging 70,000.

Prompt reservation will assure you space in the Home Department. Better send it today.

Ask us for Sample Copy and Rate Card

NEW YORK
120 West 42nd Street
F. M. Tibbitts, Bus. Mgr.
O. E. Everett, Adv. Mgr.
Phone Wisconsin 6081

DAIRYMEN'S
League
NEWS

CHICAGO
10 South LaSalle Street
John D. Ross
Phone State 3652

"The Dairy Paper of the New York City Milk-Shed"

"How to Sell Quality"

DESCRIBES actual plans and methods used by salesmen who have been successful in combating price competition by quality arguments. Tells how these salesmen make the buyer want quality; get the stipulated price without haggling; shut out the price cutter and keep the old customer sold on quality.

Typical Chapters

How Quality Helps a Salesman

Shows salesmen the advantages in selling quality merchandise.

Why Your Customers Buy Quality

Gives illustrations to prove that wise buyers prefer quality to price when properly sold.

Making the Buyer Want Quality

Tells how good salesmen create desire for quality products.

Creating a Quality Atmosphere

Illustrates the value of comparisons to force price into the background.

Getting the Full Price

Explains how the price dwindles when quality is sufficiently understood.

Disarming the Price Cutter

How to meet price objections with quality arguments and eliminate competition.

How to Close a Quality Sale

Closing arguments that make prospects forget price and buy your products.

Keeping the Old Customer Sold on Quality

Making customers see the profit in repeat orders for quality goods; the loss of patronage that comes with price-cutting, etc.

Send for a copy of this popular Dartnell manual. You will find in it many ideas for your own letters and bulletins to salesmen. More than 350 concerns have distributed copies to their salesmen.

In board bindings: Single copy, \$1.10; dozen, \$10.50; hundred, \$75.00. In DeLuxe leatherette: Single copy, \$1.60; dozen, \$15.50.

The Dartnell Corporation

1801 Leland Ave.
CHICAGO

19 W. 44th St.
NEW YORK

Convention of Salesmen First Gun of Chevrolet Drive

(Continued from page 84)

purpose. We wished to make them feel that they are an important part of our distributing organization and not merely minor employees out in the field who never get to headquarters. We emphasized the fact that they are the connecting link between us and the dealers and that the dealers' impression of us, therefore, depends in large measure on their impression of them. Then, too, we have worked out a number of plans during the past year that we wanted to present to our representatives personally.

The Dealer Salesmen

"Most of all, though, we wished to drive home the fact that the success of the Chevrolet Motor Company is directly dependent on the success of the Chevrolet dealer organization. These men, in common with other factory representatives, had been accustomed to look upon themselves primarily as wholesale salesmen only. It was their job to load the dealer with cars, leaving the dealers to dispose of the cars as best they could.

"They are wholesale salesmen, of course, and it is their responsibility to keep the dealers supplied with cars, but it is also their duty to help the dealers dispose of those cars. The day of overproduction and overloading of dealers is past. The dealer is the key to the whole system of distribution and it is on the dealer that we are concentrating. We are supplying our dealers with real helps and we are continually directing our efforts toward giving them more and better helps. We are experimenting and testing out plans continually and passing these on to our dealers. We are not handing out a lot of untried theories; we are testing our plans and recommending them only after we have proved by actual experience that they are good.

"We have worked out a number of plans during the past year, some of which we are just introducing. We couldn't very well call in all our dealers from every part of the country and secure adequate

representation, so we called in our representatives instead and asked them to take these plans direct to their dealers. Hereafter we expect every representative to be thoroughly versed in the problems of the dealer and to be ready and willing to help any dealer solve any problem that may confront him. We are going to manufacture cars only as fast as the dealers can sell them, but we are going to help the dealers sell cars faster. That is the sum and substance of the whole matter."

That the plans and policies followed by the Chevrolet Company are working out well in practice is manifest from the fact that sales of this company's product have increased more rapidly in recent years than those of any other manufacturer in this field and a Chevrolet franchise is coming to be considered among the most valuable to be had.

A cooperative advertising campaign, said to involve the expenditure of approximately five and a half million dollars—the largest appropriation ever made for a single line of cars—will be launched August 1 and is expected to boost sales totals to hitherto unequaled heights.

Organize Advertising Club in Greensboro, N. C.

Greensboro, North Carolina, has organized an advertising club with H. S. Richardson, president, the Vick Chemical Company, as president of the organization. The new club will soon be affiliated with the Associated Advertising Clubs of the World. John Sullivan, for ten years secretary of the Association of National Advertisers, spoke at the first meeting. Other officers elected were: W. H. Spradlin, Jr., vice president, the American Exchange National Bank, vice president; A. S. Myers, advertising manager, Odell's, Inc., secretary, and C. L. Jenkins, treasurer, the Vanstory Clothing Company, treasurer.

What America's Mining Industry Buys

(Continued from page 98)

of the annual school budget."

In value of output, copper leads the metal mining industries. Lead and zinc, gold and silver and aluminum follow in the order named in point of value of output.

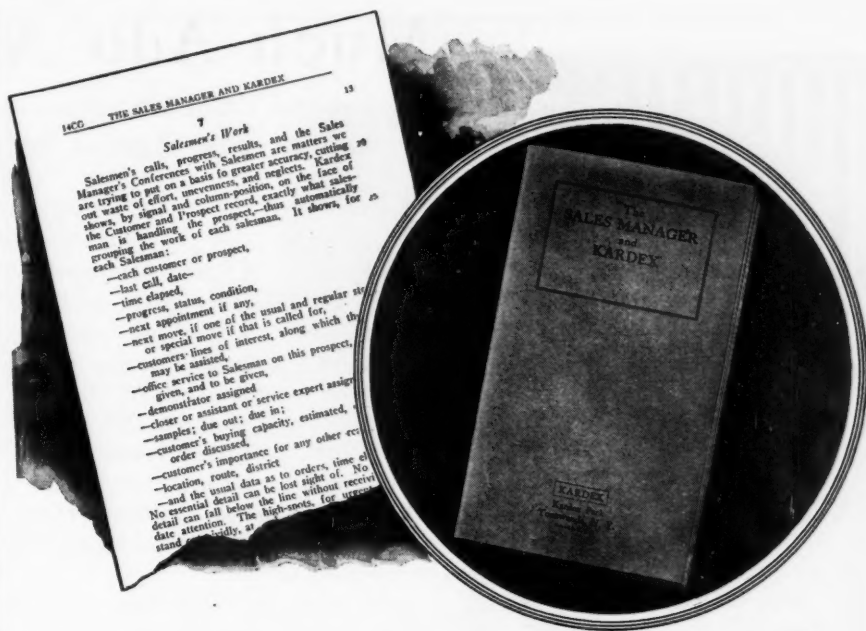
Power is one of the greatest requirements of the metal mines. Electricity and steam are the most important sources of power for the mines, and hydro-electric developments and diesel engines are becoming increasingly important as a source of power for the mines. Equipment requirements, such as steam shovels, air compressors, rock drills, tracks, cars and locomotives are somewhat similar to the coal mines.

Sell the Man on the Job

As in most other industries, the men on the job originate most of the requisitions, and it is with them that the preliminary sales work must usually be done. While many mines are operated by large companies with general offices in New York or other large cities, much of the buying is done at the mines, although the actual placing of the order may rest with the purchasing agent at the general offices.

Most of the men in charge of mine operations are mining engineers, many of them being graduates of the mining colleges. While many of these men do not have actual or final buying authority, the bulk of the missionary work in selling any new product is usually directed at them, as they are the first to recognize the need for new equipment or improved methods.

The Interborough Rapid Transit Company of New York has granted to the Street Railways Advertising Company of New Jersey the control of the advertising and merchandise vending privileges on the subway and elevated properties of the former company in New York and surrounding territory, for a period of eighteen years. Heretofore the contract was held by Artemas Ward, Inc. Barron Collier is president of the Street Railways Advertising Company.



Controlling Salesmen's Work

How successful sales managers watch over each man's work to keep up the standard of service and conformation to house policies

Certain knowledge of what is going on in the territories, cutting thru the mass of detail to obtain that knowledge in usable form—these are the advantages which Kardex gives the sales manager in helping each salesman achieve greater success.

The booklet, "The Sales Manager and Kardex," tells how successful sales managers are cutting out wasted effort, oversights, and neglect in this phase of their work.

It will give you ideas you can put to use at once to save you care and worry, to help you increase the profit from your time and energy.

Send for your copy today. There is no obligation whatever. Use the coupon.

KARDEX RAND CO.

707 Kardex Park, Tonawanda, N. Y.

In Canada—Kardex, 58 King St. West, Toronto—London, 3 Holborn Viaduct, E.C. 1—Paris, 24 Rue de la Fidélité.

KARDEX

KARDEX RAND CO.

707 Kardex Park, Tonawanda, N. Y.

- ☐ Please send your Book—"The Sales Manager and Kardex."
☐ Please send Kardex Man.

Name.....

Street.....

City..... State.....

High grade art cover

Handy memo pad

Your ad. here

ART DESK MEMO PAD

Clothe the personality of your business in an atmosphere of Art and Quality

IN this advertisement we show illustrations of "Art Desk Memo Pad" and "Personal Memoranda Book" gift novelties. Desk reminders for your trade, such as these, when bound in Super Finish Art Leather, breathe the subtle spark of personality into the customer's impression of your business. Their beauty not only attracts attention, but invites the place of honor on the customer's desk.

Super Finish Art Leather looks and feels like leather, but wears better and costs less. Write for descriptive matter on the "Art Desk Memo Pad" and "Personal Memoranda Book."

U. S. ART BINDER CO.
225 W. Ohio Street, Chicago

Manufacturers of desk reminders, book and catalog covers, loose leaf binders, sample and display cabinets, and other novelties in Super Finish Art Leather. Creators of artistic specialties.

PERSONAL MEMORANDA BOOK

Your ad. here

Large memo pad

High grade art cover

Much Ado About Nothing

Federal Trade Commission Makes Mountains of Molehills in Case Against Seth Thomas Clock Company

JUST what the recent change in procedure on the part of the Federal Trade Commission means to business men is illustrated in a statement recently issued by the Seth Thomas Clock Company as a result of the dismissal of the Commission's formal complaint charging resale price-maintenance. This statement, which is signed by Arthur S. Hamilton, treasurer of the company, is self-explanatory:

"On June 23, 1925, the Federal Trade Commission, on its own initiative, completely dismissed the charges of unfair competition against the Seth Thomas Clock Company. This brings to an end a proceeding which has been pending for two and a half years, and which had no result except to harrass the company, compel it to spend thousands of dollars in defending its rights, and incidentally to waste thousands of dollars of government money.

The Commission Investigates

"As far back as 1916, Seth Thomas Clock Company decided that if it was to maintain the quality of its product it must confine its sales to distributors who could give proper service. It adopted the policy of dealing mainly with the retail jeweler, and as little as possible with various large distributors who might be eager to sell the clocks at temporary cut-prices. At the same time the clock company recommended reasonable resale prices. This policy was adopted as an essential business policy which there was every reason to suppose was legal and proper.

"In 1921, on the complaint of a department store, the Federal Trade Commission asked leave to examine the company's books and records. The company willingly consented, and placed at the disposal of the commission all its books and files of every description, its catalogues, trade circulars and file indices. The agents of the trade commission questioned the officers of the company.

"Late in 1922, a year after the investigation, the trade commission drafted a complaint which, entirely ignoring the facts, charged the company with everything that the commission had apparently ever heard of anyone having done to maintain resale prices. The company pointed out that the commission's complaint covered a period of more than a year concerning which the commission had no information, and voluntarily offered to open its files again and convince the commission that its policy and practices were proper and legal. The attorney for the commission refused the offer, and proceeded to prosecute the case.

Elaborate Legal Hokum

"The company's officers and attorneys were required to attend hearings in five different cities. Dozens of witnesses were called by the commission, the names of whom were not furnished by the commission before their examination. Eleven hundred and forty pages of testimony were taken, and 320 exhibits were put in evidence by the commission. Testimony of the commission's witnesses entirely exploded its own charges. At the end of the commission's testimony the company moved to dismiss the proceeding, and asked for a hearing. The request for a hearing was denied, and the motion for dismissal arbitrarily refused. Confident in its position, the company confined its defense to a short formal statement by one officer.

"The matter then lapsed for months, when the commission on its own initiative, opened negotiations to dismiss the case. The company declined to make any stipulation except for a complete and unqualified dismissal. This was acceded to, and the order of dismissal was made.

"The net result of the proceedings has been to waste a great deal of time, energy and money, which the company and doubtless the government, could have used more advantageously. The company is still publishing its recommended

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resale prices, and continuing its business policy, which was at all times legal and proper.

"The case is of interest in showing the length to which the commission, under its former organization and rules, was permitted to go. While the result of the case is completely to vindicate the company and its trade policy, no provision is made to recompense the company for the damage and expense caused by this unfounded attack. The company has, however, the satisfaction of having resisted unwarranted charges, and in having secured a judgment fully justifying its course.

"The case emphasizes the necessity for the recent changes which have been made in the practices of the commission. Under the new policy such an abuse could not recur, because if the company had been given an opportunity for a preliminary hearing before the charges were published, it is inconceivable that the proceedings would ever have been brought."

It is worth noting that there is a sharp division of opinion among members of the commission as to the propriety of the new policy, and reports from Washington indicate that in all probability the question will be threshed out in Congress. Business men should not hesitate to take whatever steps may be necessary to insure themselves against any reversion to the old policy, even if such a result should necessitate abolishing the commission altogether.

A new automotive daily paper will begin publication early in August in New York City, to be called Automotive Daily News. It will appear daily except Saturday and Sunday.

The officers of the company backing the project are O. J. Elder, president; E. C. Wright and George M. Slocum, vice-presidents; G. L. Harrington, treasurer, and Alexander Johnston, secretary.

The editorial department will be in charge of Mr. Johnston. Advertising headquarters, in charge of Mr. Wright, will be at 1926 Broadway, New York City. Branch offices will be opened in Detroit, Chicago, Boston, San Francisco and Seattle.



Seeing is buying,
When your product
Is displayed on retail counters
In a plate glass Specialty Case

The prospect remembers
Your magazine advertising—
His interest is renewed—
Another sale results.

Specialty Display Cases *for promoting sales*

SPECIALTY DISPLAY CASE CO. — Kendallville, Ind.
Chicago Office: 237 S. Wells Street N. Y. Office: 130 W. 42nd Street

You have something to sell—

We want to help you sell it. We honestly believe that our kind of "thought out" printing makes the right kind of an impress.

Our business is to build folders and booklets and catalogs, too, and print them in our own plant.

RATHBUN-GRANT-HELLER COMPANY
725 SOUTH WELLS STREET CHICAGO, ILLINOIS

For Sales Conventions

Badges Arm Bands
Favors Paper Hats
Banners Novelties
Pennants Stunts, etc.

A card brings our catalog

JACK KUMLER
THE RUSSELL-HAMPTON CO.
39 W. Adams St., Chicago, Ill.

SELL DIRECT TO THE USER

No interference with other distribution methods. We recruit, organize, train and manage special or permanent campaigns for your product only. Anywhere in U. S. Fifteen years' national experience. Cash and deferred payments. All salesmen bonded. Business and banking references exchanged. Post Office Box 1020, Chicago, Ill.

MEN Wm. L. Fletcher Inc.,
can put you in
touch with THE RIGHT MAN
for any worth while job
93 Federal St. Boston, Mass.

STICKERS - LABELS



Summed special design stickers, labels and embossed seals in any quantity. We carry a complete line of standard stock stickers and can render prompt delivery. Send for catalogue.

ST. LOUIS STICKER COMPANY
1627 S. M. Washington Avenue St. Louis

TOYCO Promotion BALLOONS



There's a definite way to make Toyco Promotion Balloons increase sales. Ask us to tell you how. Business Idea Dep't.

The TOYCRAFT RUBBER CO.
AVHLEND, OHIO

Autopoint

The Better Pencil - Made of Bakelite
Write for our new plan to build your business bigger

AUTOPOINT COMPANY
4619-25 Ravenswood Avenue, Chicago



MULTIGRAPH USERS!

Write for this free booklet! It is chock full of helpful ideas and practical suggestions for producing better letters on the multigraph. Gives best solutions as worked out by experienced operators. Attach company's letterhead to request.

CHICAGO MANIFOLD PRODUCTS CO.
Dept. 11, Grant Lakes Bldg., Chicago, Ill.

A Compensation Plan that Cut Down Turnover

(Continued from page 78)

Men need and demand money for their efforts but they want also to be praised for their success. They want to be pointed out as successes among their fellows.

To fill this very human and proper need we instituted a Salesman's Club, which furnished a method of automatically giving every man proper recognition for his successes.

This is the way the club operates: A salesman, when he makes his first quarterly quota, receives a gold pin with the figure 1 in the center of the pin. Around the edges of the pin is the inscription, "Intertype Salesmen's Club." This makes him a "first degree" member of the Salesmen's Club. When he makes his second quota, he receives his second degree, and so on as long as he makes his quota.

Honors for High Men

The leader of the entire sales force, each quarter, becomes president of the club for the succeeding quarter; the leaders of the other branch territories in the United States, become the vice presidents of the club for the succeeding quarter.

We honor these particular men by presenting them with medals, and also honor the branch that sells the greatest percentage of its quarterly quota by presenting the branch with a silver plaque, properly inscribed, to be hung in the branch office.

Further, we honor in a similar way, but with a more expensive medal, gold, studded with a diamond, the leader of the sales force for the year, and present gold medals for the leaders of the other three territories, and a gold plaque for the branch office that leads in sales for the year, so we have a continuity of honors in addition to the continuity of compensation.

Also, every quarter, we publish a pamphlet called "Who's Who in the Intertype Sales Force," with the pictures of the newly elected officers of the Salesmen's Club, and pictures of the men who have earned new degrees during the

quarter, showing what degree they have earned.

Most salesmen will say that they do not care for honors. What they want is money. Every salesman worthy of the name wants money, but he also wants the honor of winning. If you do not believe it, omit a picture, or make an error in publishing sales records. Honor compensation has a very fundamental appeal, for all of us want to be known as successes, a little above the average perhaps.

In conclusion, it seems to me that the one fundamental underlying all successful direction of salesmen is leading them, whether you do it by means of money they are paid, or honor awards, or both. It is holding out incentives of various kinds big enough so that your men give their very best without realizing that they are being directed.

Publishes Survey on Cigar Market

A survey conducted by the Indianapolis News on the Indianapolis market for cigars shows that the average number of brands carried by individual dealers is 43.9. In 1923 the average was 45.2.

The survey was conducted by interviewing buyers and managers of 75 typical retail cigar outlets. In these 75 stores a total of 289 different brands of cigars are sold.

In the class of cigars retailing for 10 cents or more, El Producto, La Fendrich, and El Roi Tan were found to have the highest percentage of distribution, 98 per cent, 92, and 90 per cent respectively.

In the class of those retailing for less than 10 cents each, Charles Denby, San Felice, and Decision were highest in distribution.

Beg Your Pardon!

In the July 11 issue of Sales Management, a picture of Mr. J. C. Penney on page 14 was erroneously captioned with Mr. J. M. McDonald's name.

When Your New Displays Are Delivered

(Continued from page 92)

even though the returns be relatively small. If a dealer will go to the trouble of sending in a letter or a card, or a coupon, it is reasonable to expect that he will use the display.

In closing, here is a suggestion which will often bring the accumulation of dead displays in the hands of representatives out into the light where they can work and make honest helps of themselves. Twice a year, try calling a moratorium on the shipment of display material. Send out letters to the effect that the appropriation for this matter is in a bad way, and it will be necessary to discontinue sending them for a month.

Then watch the dead come to life. Cellars and back-rooms and storerooms and warehouses will be cleaned out, and helps will go up merrily just the same. Urgent letters will be received in which you will be told in tearful tones that material must be had. If the appeal seems authentic, send out half the amount asked for, and tell the individual in question to look around thoroughly in the nooks and crannies to find enough to make up the balance, and furthermore, to use pieces over and over again. Thus the dead-wood will be cleaned up, the salesman will be impressed with the real value of dealer helps to his sales record, and the appropriation will get a welcome breathing spell.

Rates Offered for Direct Mail Meeting

Railroad rates at fare and a half for the round trip have been granted to the Direct Mail Advertising Association for their eighth annual convention to be held in Boston October 28-30. The rates will be on the certificate plan and will apply from October 24 to November 3, and may be taken advantage of by purchasing a one-way ticket and requesting certificate. Certificate will be validated at the Mechanics Building in Boston by Frank L. Pierce, executive secretary of the association.



A GOOD line of samples is the shortest way to a sale.

Salesmen's samples cost money—insure them. North America Commercial Travelers' Insurance covers the samples of an individual salesman or an entire force.

Ask your Insurance Agent or mail the attached coupon for further information about this low-cost protection.

Insurance Company of North America

PHILADELPHIA

Founded
1792

"The Oldest American Fire and Marine Insurance Company"



Pin this coupon to your letterhead

Insurance Company of North America
Third and Walnut Streets
Philadelphia, Pa., Dept. X711

Name

Street

City State

Wants information on Commercial Travelers' Baggage Insurance

News of the Road

Here's some welcome news for sales executives arriving or departing from the new Union Station in Chicago. Every concession from coffee to collars, and from books to bakeries, has been placed in the hands of the Fred Harvey System. The traveler will find seven eating places capable of feeding more than one thousand persons at once, ranging from a luxurious restaurant to a luncheonette and soda fountain. In striking contrast to most of the Chicago railroad stations, where it is impossible to buy a collar button or flowers for the "better half," the Union Station will have a Harvey barber shop, two bakery goods shops, flower shops, a gift and novelty shop, and not just a glorified news-stand, but an honest-to-goodness book store.

Toledo's newest hotel, the Fort Meigs, was opened to the public July 2 and 3. This most recent addition to the Ohio city's accommodations for travelers is a handsome structure of ten stories with 220 rooms. The Fort Meigs is splendidly built, with most modern equipment and furnishings. Each room has a bath, commodious closet, regulation furniture and three lamps—standing, reading, and bed lamp. A feature of the main dining room is an arrangement of buffets which provides ultra-rapid service.

Further news from Toledo, Ohio, brings the report that the Keenan Hotel System, owners of the Waldorf Hotel in that city and other hotels in Fort Wayne, Milwaukee, etc., has acquired control of the Secor Hotel in that city. The deal is said to involve more than a million and a half, and it has already been announced that three stories with 300 additional rooms will be added to this hotel, and that \$300,000 will be spent in remodeling the interior.

Another modern fireproof hotel of a type which is bringing joy to the heart of the traveler is ready for its formal opening in the historic city of Suffolk, Virginia. The new hotel is called the Elliott, and has 100 rooms with all other departments of a first class city hotel. It was built at a cost of half a million and the Colonial style is followed throughout. The Elliott is the tenth in the chain operated by the American Hotels Corporation, with the Hawthorne at Salem opening in August and a dozen more in prospect for completion before the end of the year.

One of the best locations in Lincoln, Nebraska, has been selected for a new hotel to be built by E. C. Eppley, President of the Eppley Hotels Company. The site is three blocks from the Union Station, and is ideally located with reference to the best down-town business district. When completed, the hotel will be a thoroughly modern fireproof structure of 400 rooms. It will be built in two units, the first of which will contain 225 rooms.

This new hotel will give Mr. Eppley ownership of three hotels in this city, as he now owns the Lincoln and the Lindell.

Personal Service and Supplies

Classified rates: 50c a line of seven words; minimum \$3.00. No display

POSITIONS WANTED

I HAVE 18 YEARS' MERCHANDISING experience; 12 years as executive either as general sales manager, director of sales, or vice president in charge of sales and advertising for some of country's largest industries. I have one of the best appointed offices in New York City. I will represent the right manufacturer in the Metropolitan New York market. This one manufacturer will have every facility for a branch office plus proved sales ability. Age, 37, and on my toes. Address Box 784, SALES MANAGEMENT, 1801 Leland Ave., Chicago.

SALES MANAGER AVAILABLE—A \$10,000 sales executive now in control of three million dollar sales territory, handling fifty salesmen on keenly competitive product. Can organize for lower sales overhead, inject new ideas for greater profit and know thoroughly large markets throughout U. S. and Canada. My reference is a successful record covering eight years with two of the largest firms in the country in their line. Box 786, SALES MANAGEMENT, 1801 Leland Ave., Chicago.

RESEARCH ENGINEER (M. E.—E. E.) for market investigations and surveys. Technically trained, mature judgment, widely traveled with a practical knowledge of sales methods, advertising, and shop production. Box 787, SALES MANAGEMENT, 19 W. 44th St., New York City.

SALES EXECUTIVE WHO THOROUGHLY understands market development, sales procedure and management. Mature judgment, tactful, combined with sound selling sense, and proved ability to judiciously manage sales force. Technically trained, 39 years old, happily married, excellent references as to character and ability. Box 782, SALES MANAGEMENT, 19 W. 44th St., New York City.

SALESMEN WANTED

SALESMEN—\$200-\$500 MONTHLY SELLING Bestever Powdered Hand Soap, to grocers, hardware stores, garages, druggists. Marvelous discovery. Removes grease, paint, ink, anything from the hands without injury. Great repeater. Exclusive territory to producers. Sample free. Bestever Products Co., 1941-R Irving Park, Chicago.

SALES PROMOTION

\$50 TO \$50,000 DAILY SALES DEVELOPED during 26 years for clients by my direct-mail plans, copy, campaigns. A \$25,000 annual volume increased ten-fold in twelve months. Another, from an initial expenditure of \$720 developed in four years sales by mail of half million yearly. Ten years sales promotion manager Larkin Co. Submit sales problems for free diagnosis. James C. Johnson, 119 Woodbridge Ave., Buffalo.

BUSINESS CONNECTIONS

A PROGRESSIVE, CONSERVATIVE EXECUTIVE having substantial resources, experience in the solution of selling, manufacturing, and financial problems, is looking for a connection that warrants his entire interest. A Gentle without prejudice, in his early thirties, having the "feel" of the South and West from several years' permanent business residence in each, and at present the secretary-treasurer of a company with national distribution doing a volume of \$500,000.00 yearly in which he is selling his holdings. With resources and experience opportunities are not wanting, but this excellent medium may uncover an especially mutually advantageous combination. Box 783, New York office SALES MANAGEMENT, 19 W. 44th St.

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